

**RULES  
OF  
THE TENNESSEE HEALTH FACILITIES COMMISSION**

**CHAPTER 0720-09  
DEFINITIONS**

**TABLE OF CONTENTS**

0720-09-.01 Definitions

**0720-09-.01 DEFINITIONS.** The following terms shall have the following meanings.

- (1) "Commission" means the Tennessee Health Facilities Commission.
- (2) "Ambulatory surgical treatment center" is as defined in T.C.A. § 68-11-201.
- (3) "Capital expenditure" in relation to a project, means any series of expenditures by or on behalf of an applicant which, under generally accepted accounting principles, is directed toward the accomplishment of the project.
  - (a) "Capital expenditure" includes the amount per construction bid or total amount of invoices for the single project.
  - (b) "Capital expenditure" includes the cost of all medical equipment, whether fixed or moveable, and is considered in calculating the amount of the examination fee. The cost for such fixed and moveable equipment includes, but is not necessarily limited to all costs, expenditures, charges, fees and assessments which are reasonably necessary to put the equipment into use for the purpose applied for. Such costs specifically include, but are not limited to, the following:
    1. Maintenance agreements, covering the expected useful life of the equipment;
    2. Federal, state and local taxes, and other government assessments; and
    3. Installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding.If the acquisition is by lease, the cost is either the fair market value of the equipment or the total amount of lease payments for the initial term of the lease, whichever is greater.
  - (c) Lease, loan, or gift. In calculating the value of a lease, loan, or gift, the "cost" is the fair market value of the above-described expenditures. In the case of a lease, the cost is the fair market value of the lease or the total amount of the lease payments for the initial term of the lease, whichever is greater.
- (4) "Certification period" means the period of time beginning on the date of issuance of a certificate of need and ending on the expiration date of a certificate of need, as established by statute, rule, or order of the Commission.
- (5) "Change of location" means a change of the specific location of an existing institution, facility, or service.

(Rule 0720-09-.01, continued)

- (6) "Executive director" means the chief administrative officer of the Commission and the appointing authority, exercising general supervision over all persons employed by the Commission, as defined in T.C.A. § 68-11-1606.
- (7) "Expiration date" is the date by which activity authorized by a certificate of need must be implemented. The expiration date may be established by statute, by rule, or by order of the Commission.
- (8) "Home health service" is as defined in T.C.A. § 68-11-201.
- (9) "Hospital" is as defined in T.C.A. § 68-11-201.
- (10) "Intellectual disability institutional habilitation facility" means a facility which offers on a regular basis health related services to individuals with intellectual disabilities who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide but, because of physical or mental condition require residential care and services (more than room and board) and involves health related care under the supervision of a physician. Such a facility also offers an intensive program of habilitative services, as licensed by the Department of Intellectual and Developmental Disabilities.
- (11) "Long-term categories" includes nursing home services, regardless of the length of stay, and any other health service which is intended or reasonably expected to result in an average length of stay of 21 days or longer.
- (12) "Neonatal intensive care unit" means a special care unit staffed and equipped to provide professional intensive treatment for the care of newborns with severe or complicated illnesses and/or high-risk newborn infants, staffed by a neonatologist and specialized nurses and in which bassinets are used as licensed beds.
- (13) "Not directly related to patient care" may include the following types of single, isolated expenditures:
  - (a) Telephone systems;
  - (b) Non-clinical data processing systems;
  - (c) Heating and/or air conditioning systems;
  - (d) Energy conservation devices;
  - (e) Parking facilities;
  - (f) Roof repairs;
  - (g) Medical office buildings;
  - (h) Warehouses; and
  - (i) Cafeterias.
- (14) "Nursing home" is as defined in T.C.A. § 68-11-201.
- (15) "Outpatient diagnostic center" is as defined in T.C.A. § 68-11-201.

(Rule 0720-09-.01, continued)

- (16) "Person" where the context requires, may refer to any natural person, legal entity, facility, or institution, as defined in T.C.A. § 68-11-1602.
- (17) "Residential hospice" is as defined in T.C.A. § 68-11-201.
- (18) "Service area" means the county or counties, or portions thereof, representing a reasonable area in which a health care institution intends to provide services and in which the majority of its service recipients reside.
- (19) "Substantive amendment" as used in T.C.A. § 68-11-1607 means any amendment which has the effect of increasing the number of beds, square footage, cost, or other elements which are reasonably considered in the discretion of the Commission to be integral components of the application. A reduction of the above referenced components may be considered a substantive amendment if the amendment and supporting documentation are not received by the staff and Commission in a timely manner, necessary to allow the Commission to make an informed decision. Nothing in this rule shall be interpreted as limiting the Commission's authority to approve or deny all or part of any given application.

**Authority:** T.C.A. §§ 4-5-201, et seq., 4-5-202, and 68-11-1605; 2016 Tenn. Pub. Acts Ch. 1043; and 2021 Tenn. Pub. Acts Ch. 557. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005. Amendments filed October 24, 2017; effective January 22, 2018. Emergency rules filed September 28, 2021; effective through March 27, 2022. Amendments filed December 27, 2021; effective March 27, 2022. Administrative changes made pursuant to Public Chapter 1119 of 2022 effective July 1, 2022.