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Strategic Behavioral Health plans to build a 72-bed psychiatric hospital in Kingsport near Stone Drive and John B. Dennis Highway, but Johnson City's Mountain States Health Alliance opposes the facility and claims it could hurt a similar nonprofit hospital.

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HEALTH CARE

Kingsport psychiatric hospital headed for state review; officials expect appeal

NATHAN BAKER • JUN 19, 2016 AT 5:39 PM

nbaker@johnsoncitypress.com

A 72-bed psychiatric hospital planned for Kingsport, now more than two years into the review process, will once again come before the state’s health care facility regulating body this week, but officials expect...
an appeal, no matter what decision is made.

Jim Christoffersen, general counsel for the Tennessee Health Services and Development Agency, said the board will meet Wednesday in Nashville to review Administrative Judge Leonard Pogue’s order granting a certificate of need to Memphis-based Strategic Behavioral Health allowing the $11.7 million facility to be built between Kmart and the Kingsport Greenbelt at the end of Executive Park Boulevard.

The company appealed to the judge after the application failed at the Health Services and Development Agency with a 4-4 tie vote in June 2014.

Because of the deadlocked vote, Christoffersen said the HSDA took a neutral stance on the application in subsequent hearings before Pogue as SBH representatives argued for it and those of Johnson City’s Mountain States Health Alliance, which operates the 84-bed Woodridge psychiatric hospital, argued against it.

In the hearings, experts for SBH claimed a need for psychiatric services in Sullivan and Hawkins counties in Tennessee and Wise, Scott and Lee counties in Virginia, where only 12 inpatient psychiatric beds are available at Bristol Regional Medical Center. Mountain States, however, claimed gerrymandering on the part of the company, and said the proposed services are available at its facility in Washington County, which was excluded from SBH’s prospective territory.
Pogue ultimately concluded a need does exist for SBH’s facility and order the certificate of need be granted in February. Mountain States quickly appealed the judge’s decision, triggering Wednesday’s review.

“Woodridge has reliably served as the region's safety net behavioral facility, and we believe a successful application by SBH would cause enormous harm to Woodridge, and subsequently, impact access in our region,” Mountain States spokeswoman Teresa Hicks said in an emailed statement. “SBH’s proposal demonstrates they don't expect to serve the uninsured or TennCare nearly to the degree Woodridge does, and thus, their focus would be to serve primarily people who are insured. If successful, this will severely impact Woodridge's ability to continue serving as the safety net and will have a negative effect on the region.”

In February, a Wellmont Health System spokesperson told the Kingsport Times-News the company “strongly opposes” SBH’s plans, in-part because Wellmont believed the for-profit company would choose not to serve the uninsured and underinsured, increasing Woodridge’s costs.

In their merger proposal to the Tennessee and Virginia health departments, both Mountain States and Wellmont pledged to reinvest savings from the
merger into expanding addiction recovery services and developing community-based mental health resources, such as mobile health crisis management teams and intensive outpatient treatment.

When the agency reviews the judge’s order on Wednesday, Christoffersen said the board could affirm in total, deny or affirm with changes.

Whatever the decision, he said either company could appeal the state’s decision to Davidson County Chancery Court, and then on to higher appellate courts, adding he “wouldn’t be surprised if they take it the whole way” through the appeals process.

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Monty • 4 months ago

MSHA's opposition to this proves without a doubt that they are not here to serve the needs of the community. They continue to protect the exclusivity of Woodridge at a time when there is no room for the numbers of patients needing immediate admissions. And if Tennessee Health Services or any other group that has licensing power denies this facility is is a strong indication of collusion.

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Imker • 4 months ago

Yes, compassionate (?) Mountain States is a bulldog when it comes to its money territory. Lots of lawyers. Lots of high paid executives. That money is mine!!! Mountain States declares.

2 • Reply • Share ›

Harvey Laney • 4 months ago

People need to wake up and realize...there is not enough beds for all the people that need then now...they have to set in the hospital for days at tax dollars expense before they get accepted to a place. The have to be transported by County Deputy to the place whether to Johnson City, Knoxville, or Sometimes Memphis. This is something that is really needed in the area. It will not hurt Woodridge at all..
Johnson City Press: Kingsport psychiatric hospital headed for state review; officials expect appeal