



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: BL2020-586, **Version:** 3

An ordinance directing that certain actions be taken regarding the preservation of the licensed beds at the Bordeaux Long Term Care facility and appraisals of the Bordeaux Long Term Care and J.B. Knowles Home Assisted Living facilities, and requesting the creation of a long term plan for the J.B. Knowles Home facility.

WHEREAS, pursuant to Ordinance No. BL2014-688, the Metropolitan Council approved agreements for the lease and disposition of real property relating to the Bordeaux Long Term Care and J.B. Knowles Home Assisted Living facilities, and made a determination that the private sector can provide quality long term medical care services on a more economical basis, making such services obsolete and unnecessary as a governmental function in accordance with Section 1.05 of the Metropolitan Charter; and

WHEREAS, pursuant to Ordinance No. BL2016-422, Metro agreed to extend the lease of the real property and operations (the "Revised Lease") of the Bordeaux Long Term Care facility ("BLTC") located at 1414 County Hospital Road to LP North Nashville, LLC, which is a subsidiary of Signature Healthcare, LLC ("Signature"); and

WHEREAS, although the Revised Lease was set to expire on June 30, 2020, Metro entered into an emergency seven month extension (the "Contract Extension") to allow time for a request for proposals (the "RFP") to be issued for the operation of BLTC, and provided for a reimbursement of Signature's operating losses during the extension period; and

WHEREAS, the time period for the RFP responses ended and Metro received no responses; and

WHEREAS, Metro notified Signature on September 22, 2020 of its election to have Signature discontinue all operations and start winding down BLTC's resident care operations pursuant to the Contract Extension in compliance with all applicable laws and regulations to be completed by the earlier of January 31, 2021, or the day that is 120 days after Metro's approval of the Wind Down Plan; and

WHEREAS, the Metropolitan Council values the provision of quality and affordable long term care; and

WHEREAS, the Metropolitan Council realizes that the Metropolitan Government's provision of quality and affordable long term care must be financially feasible; and

WHEREAS, the BLTC Facility is currently licensed by the Tennessee Board for Licensing Health Care Facilities, for 419 nursing home beds; and

WHEREAS, the Metropolitan Council recognizes that the licensed 419 nursing home beds are an asset of the Metropolitan Government that should be preserved; and

WHEREAS, the Metropolitan Council desires the creation of a long term plan for the provision of quality and affordable long term care in Nashville, despite any ordinance to the contrary, with the understanding that such

plan may require the cessation of the Metropolitan Government's provision of such services.

NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council directs the Director of Law or his designee, at the conclusion of the BLTC Wind Down Plan, to take the necessary action to maintain the inactive status of the 419 bed license for BLTC facility with the appropriate state agency. The Metropolitan Council further directs that all necessary licensure fees and any applicable nursing home assessment fees for the inactive 419-bed licensed BLTC facility be paid by the Metropolitan Government from the appropriate fund as determined by the Director of Finance.

Section 2. The Metropolitan Council directs the Director of Public Property Administration to procure and provide to the Council an appraisal of the following:

1. The value of the BLTC license to operate as a nursing home with 419 beds.
2. The value of the J.B. Knowles Home Assisted Living and Adult Day Services facility ("Knowles") currently operated by AnthemCare Tennessee LLC, including the real property, physical building, and license to operate as an assisted living facility with 100 beds.
3. The value of the BLTC physical building(s) and real property.

Section 3. The Metropolitan Council hereby requests Mayor Cooper's administration ("administration") to work with the operator of Knowles to submit a five year plan to the Metropolitan Council for the Knowles Home Assisted Living facility, whether that be for continued operation as an assisted living facility or some other purpose, within 180 days of the completion of an RFP process, with a successful bidder, for the continued operation of Knowles or one year from the effective date of this Ordinance, whichever occurs first. If there is no successful bidder, then the administration shall, within one year of the effective date of this Ordinance, submit a one year plan that includes the information required in Section 2, subpart 2 of this Ordinance, as well as a statement regarding whether the administration recommends (a) the cessation of services at Knowles, (b) intends to continue to seek a new operator and, if so, its plan for selection of the new operator, or (c) other recommendations for continued operations at the facility site.

Section 4. Amendments to this Ordinance may be approved by resolution of the Metropolitan Council receiving twenty-one affirmative votes.

Section 5. This Ordinance shall take effect from and after its enactment, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

Analysis

This ordinance, as substituted, would require that certain actions be taken regarding the Bordeaux Long Term Care (BLTC) and J.B. Knowles Home for the Aged (Knowles Home) facilities. Ordinance No. BL2014-688 approved agreements for the lease and disposition of real property relating to the BLTC and Knowles Home facilities, and made a determination that the private sector can provide quality long term medical care services on a more economical basis, thus making such services obsolete and unnecessary as a governmental function. Section 2.01 of the Metro Charter provides that Metro has the power and authority to "establish, maintain and operate public hospitals, sanatoria, convalescent homes, clinics and other public institutions,

homes and facilities for the care of the sick, of children, the aged and the destitute.” But Section 1.05 of the Charter provides that Metro may stop performing any governmental service that the Council, by ordinance, has determined to be obsolete and unnecessary.

The ordinance would require the finance department, at the conclusion of the BLTC wind down, to take the necessary action to seek maintain the inactive status of the 419 bed license for BLTC with the appropriate state agency. Converting to inactive status would preserve the ability to utilize the beds in the future, which obviously has some economic value. The ordinance directs that all necessary licensure fees and any applicable nursing home assessment fees for the inactive BLTC facility be paid out of the appropriate fund as determined by the Director of Finance.

Metro submitted an application to the state on December 13 for a change of ownership and to place the 419 bed license for the BLTC facility into inactive status for a period of two years. This application has been granted. According to the Department of Finance, the remaining funds in the BLTC management contract subsidy line item have now been encumbered.

Second, the ordinance directs the Director of Public Property Administration to procure and provide to the Council an appraisal of the following:

1. The value of the BLTC license to operate as a nursing home with 419 beds.
2. The value of the Knowles Home Assisted Living and Adult Day Services (Knowles) facility currently operated by AnthemCare Tennessee LLC, including the real property, physical building, and license to operate as an assisted living facility with 100 beds.
3. The value of the BLTC building and land.

Finally, the ordinance requests Mayor Cooper’s administration to work with the operator of Knowles to submit a five year plan to the Council for the Knowles Home facility, whether that be for continued operation as an assisted living facility or some other purpose, within 180 days of the completion of an RFP process, with a successful bidder, for the continued operation of Knowles or one year from the effective date of this Ordinance, whichever occurs first. If there is no successful bidder, then the administration will be required to submit a one year plan within one year of the effective date of the Ordinance. The plan is required to include the value of Knowles, including the real property, physical building, and license to operate as an assisted living facility with 100 beds. It would further require a statement regarding whether the administration recommends (a) the cessation of services at Knowles, (b) intends to continue to seek a new operator and, if so, its plan for selection of the new operator, or (c) other recommendations for continued operations at the facility site.

Future amendments to this ordinance may be approved by a resolution receiving 21 affirmative votes.