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TENNESSEE GRANTS CERTIFICATE OF PUBLIC ADVANTAGE FOR WELLMONT HEALTH SYSTEM, MOUNTAIN STATES HEALTH ALLIANCE

Terms of Service and Key Health Outcome Benchmarks Solidify Public Benefit to Region

NASHVILLE, Tenn. – Tennessee Department of Health Commissioner John Dreyzehner, MD, MPH, today announced the request for a Certificate of Public Advantage from Wellmont Health System and Mountain States Health Alliance has been granted. The approval allows the two entities to combine under the corporate umbrella of Ballad Health.

"This has been an unprecedented and complex process, and I appreciate the time, effort and resources everyone involved has put into making it a productive one," Dreyzehner said. "I also appreciate the legal expertise and guidance of the Attorney General and his staff as we've put into place measurable goals and terms and conditions to ensure that in granting approval, there is a clear public benefit to the health and well-being of residents of the region."

"Wellmont and Mountain States engaged in a lengthy application process and thorough review from the department and our office," Attorney General Herbert H. Slatery III said. "We appreciated how Wellmont and Mountain States assisted our office and the department during this process and certainly want to acknowledge the commitment of the community leaders to reach this point. Everyone's objective is to employ a new idea, a new structure to fundamentally improve the health of the region. We wish them great success.

For the state to consider and act on the proposal for Mountain States and Wellmont to merge, the systems agreed through the legislative process to meet a clear and convincing standard that their merger would create a public benefit to the residents of Northeast Tennessee that would outweigh any downsides of a monopoly of services.

To establish that public benefit, TDH worked with the healthcare systems and the Tennessee Attorney General's Office to create an index that outlines benchmarks linked to improving key health outcomes in the region. The index includes recommendations from the COPA Index Advisory Group, which was comprised of 16 people from the region. The group held five listening sessions and subsequent working meetings in the spring of 2016. The index can be found at:

www.tn.gov/assets/entities/health/attachments/Advisory_Group_Recommendations.pdf.

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"The department has taken its role very seriously in considering the COPA application and in addition to a thorough review of the information and creating a new regulatory structure, we have been committed to public input and transparency throughout the process," Dreyzehner said. "This is a unique opportunity for the new system to serve as the anchor organization to improve the prosperity and health of the region. It is very important that they successfully do this and we look forward to our further work with them in that spirit."

TDH held six public hearings in Bristol, Johnson City, Kingsport and Nashville to allow for public input. The department also made it possible for Northeast Tennesseans to provide input and feedback online.

A Terms of Certification document is also a result of the COPA process. It includes how active supervision by the state of the new entity will look. It can be found at: www.tn.gov/health/article/certificate-of-public-advantage.

The approval by Tennessee is only one part of the entire COPA process. The COPA request is currently under consideration in Virginia due to the impact on residents not only in Northeast Tennessee but in Southwest Virginia.

The mission of the Tennessee Department of Health is to protect, promote and improve the health and prosperity of people in Tennessee. TDH has facilities in all 95 counties and provides direct services for more than one in five Tennesseans annually as well as indirect services for everyone in the state, including emergency response to health threats, licensure of health professionals, regulation of health care facilities and inspection of food service establishments. Learn more about TDH services and programs at www.tn.gov/health.

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