Tennessee Department of Health Public Hearing


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Hearing Officer: Jeff Ockerman, Division of Health Planning

General Counsel: Jane Young, Tennessee Department of Health

Taken At: Northeast State Community College Auditorium
2425 Highway 75
Blountville, Tennessee

Taken On: July 18, 2017

Reported by: Deborah Todd, Licensed Court Reporter
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Commissioner Dreyzehner: Well, good evening.
Welcome. I appreciate everybody being here. My name is John Dreyzehner. I am a physician and I am the Commissioner of Health in Tennessee. With me today are Mr. Jeff Ockerman to my right, our Director of Health Planning, and Jeff will also serve as the hearing officer for this evening. And to my left is Ms. Jane Young, who is General Counsel for the Department of Health. So we are here today to give people in Tennessee an opportunity to weigh in on the future of health and healthcare in our state.

There’s a proposed merger of systems in Northeast Tennessee and Southwest Virginia which is precedent setting. It’s a big decision and it’s not just a decision for the region, it’s a decision for our whole state. It is the Department’s responsibility by law to ensure that the proposal would meet a standard of clear and convincing evidence to provide a public health benefit to the citizens of the region and all of Tennessee.

The COPA process is important to the citizens of Tennessee and this region and the department is working diligently to fulfil its
responsibilities in a timely manner and to be transparent and responsive in the process. These hearings are a part of an important ongoing conversation with key stakeholders like you so that there are a number of ways for people to provide input.

This is our sixth public hearing. We’ve also provided the ability for people to provide comments to us online and that is ongoing through the Department of Health’s website. You can reach that by searching tennesseehealth.gov. The deadline for a decision on the Certificate of Public Advantage is now September 19th, 2017.

So with that, I want to thank you again for being here. We have a number of people that have signed up for comments. If you wish to comment, please -- please do sign in. And I’m going to turn the microphone over now to Jeff Ockerman as hearing officer. Thanks again.

Hearing Officer Ockerman: Thank you very much, Dr. Dreyzehner. And we will go ahead and get started. We are giving each of you three minutes, which is what we’ve done in all of our other public hearings. And I’ve got some nice little sheets here that -- to help keep us all on track. And so just in order of
who has signed up first, Urs Gsteiger.

(Off the record conversation)

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Mr. Gsteiger: First name is U-r-s, last name is spelled G-s-t-e-i-g-e-r. I am a resident of Johnson City. I have been following this merger talks for -- since their inception.

And following this I was intrigued to hear the following on WCYB television on June 22nd: This is from Standard & Poor’s and this is their take on Wellmont. It said, “Wellmont said that it’s making significant revenue gains. It described achievement in changing insurance classification of patients. The change involves patients staying briefly in a hospital now classified as observation, rather than inpatient. Wellmont added this generates significantly more revenue from patients.” Standard and Poor’s apparently likes that.

Needless to say, I’m in opposition of this merger. I agree with the FTC that this merger is likely to stifle competition. And based on what Wellmont has said, obviously their primary goal here is financial and has nothing to do with patient care. I think this body needs to basically come out against this merger, not approve this COPA.
One thing I will predict, however, is that if this merger goes through, the two CEOs, who are already obscenely paid, will likely generate even more revenue for themselves since they will running a larger system. Thank you.

Hearing Officer Ockerman: Thank you.

Commissioner Dreyzehner: Thank you for your comments.

Hearing Officer Ockerman: Bob Leibenluft.

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Mr. Leibenluft: Good evening. My name is Bob Leibenluft, L-e-i-b-e-n-l-u-f-t, and I’m here on behalf of Amerigroup Tennessee. I’d like to thank you for the opportunity to provide comments today.

As you may know, Amerigroup is a health plan offering Medicare Advantage and managed Medicaid under TennCare. It has over 400,000 members in Tennessee, many of whom are located in Northeast Tennessee. Accordingly, it has a very strong interest in the outcome of the COPA application process.

Amerigroup appreciates the considerable time and effort that the Department and its consultants have spent reviewing the applications.

While it’s been a long, demanding process, this very
rigor is exactly what is needed to make this critical decision.

Under the Tennessee COPA statute the applicants have the burden of demonstrating that the advantages of a COPA outweigh its disadvantages and they -- they must do this on a clear and convincing basis, which is a very demanding standard. Under the law there must not be any serious doubt about the conclusion the Department reaches.

Despite the lengthy review process and the materials that the health systems have submitted both initially and in their subsequent applications, they have not met this tough burden. Their application should be denied.

Let me just briefly mention several reasons why. First, the disadvantage of the COPA due to the loss in competition is immense. We rely on competition in healthcare for many things. One goal is to guard against monopoly prices, but also competition assures that patients will have access to care at convenient locations of high quality care and they’ll have good patient experiences. These are things that are hard to regulate.

Where there is competitions patients and health plans have alternatives to go to and that
possibility ensures that providers will be responsive to their customers. If approved, the COPA will essentially eliminate any alternative in 13 counties in Northeast Tennessee and Southwest Virginia. The merged health system will be a monopoly and the only choice for people in this region.

Second, many of the claimed benefits are unsubstantiated and this is despite the supplemental applications. For some of the claimed benefits the COPA application provides only vague descriptions; for others the goals the health systems have set for themselves are little more than what they already are achieving now without a merger.

Third, the health systems have other alternatives to this merger. Neither health system is failing, as the previous speaker just mentioned, and as shown by their recent financials. Many initiatives that they -- that involve training, public health, research and efforts to reduce costs raise no anti-trust concerns and there’s no need for an anti-trust immunity. Other initiatives such as shared clinical service lines also can be done in ways that can pass anti-trust scrutiny and will not result in a total loss of competition.
Fourth, finally, the parties’ commitments are insufficient and there is significant risk they may not be met. For example, one of the key commitments of the rate cap could result in higher healthcare spending and fails to protect consumers adequately.

And overall I wanted to emphasize this: The -- the parties’ commitments require them to do three things simultaneously. They would like to make major new investments in new services and programs; they won’t raise prices; and they won’t reduce services or employment. And it’s really hard to square those three things. And while they sound good in the abstract, we’re very concerned that as a practical matter they can’t be met, and then what? Potential remedies and unwinding would very difficult, if not impossible.

Hearing Officer Ockerman: Thank you, Mr. Leibenluft.

Mr. Leibenluft: In conclusion, we urge you to deny the COPA application. Thank you.

Hearing Officer Ockerman: If you have a written statement, please feel free...

Mr. Leibenluft: We do and...

Hearing Officer Ockerman: ...to give it to us.
Mr. Leibenluft: ...we’ve submitted three others, as you know.

Hearing Officer Ockerman: Yes. Thank you. David Linville.

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Mr. Linville: Good evening, Commissioner, Mr. Ockerman, Ms. Young. My name is David Linville, L-i-n-v-i-l-l-e, and I’m here this evening speaking on behalf of East Tennessee State University as the Associate Vice President for Health Affairs. It’s a privilege to be with you and I thank you for this opportunity.

The university enthusiastically supports Mountain States Health Alliance and Wellmont Health System in their application for a Certificate of Public Advantage. For over 60 years we at ETSU have worked closely with these two local health systems to offer educational opportunities that train the future workforce of physicians, nurses, and allied health professionals.

Our success as an academic health science center depends on the continued growth and development of the university’s collaborations in this community and in the region. The cooperative agreement submitted by our partners provides a
vision for the continued improvement in the quality of healthcare services, access to care, and the healthy outcomes that we strive for in our community. We at the university are vested in this local commitment to improving the lives in our region.

Individually Wellmont and Mountain States are limited in the investments they can make to our programs on an individual basis. One example is the university’s medical residency training programs, an expensive commitment by our partners. Even with the federal government providing assistance to fund a certain number of residency slots at hospitals, we have relied on Mountain States and Wellmont to fund additional slots over and above what Medicare will reimburse. These training positions are critical in both terms of healthcare delivery and workforce development for the region.

In recent years our partners have been forced to cut the number of residency slots they can fund. If no action is taken, we can see further cuts to these slots. The -- these cuts will seriously impair our ability to provide central medical training programs for our region, and this is but one example.
With the Certificate of Public Advantage synergies afford the opportunities to develop and grow academic and research opportunities, support and expand postgraduate healthcare training, strengthen the pipeline in preparation of nurses and allied health professionals and to create new specialty fellowship opportunities. As a proud alumnus of the Quillen College of Medicine, I am privileged to live here in this region working with our partners at Mountain States and Wellmont in making a difference in our community.

On behalf of ETSU, thank you for the opportunity to provide these supportive comments for the cooperative agreement submitted by our partners.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you. Nancy Barker.

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Ms. Barker: Good afternoon. Thank you all for giving me this opportunity. I’m the -- my name is Nancy Barker, B-a-r-k-e-r. I’m the Executive Director of the Rogersville Hawkins County Chamber of Commerce and we’re pleased to have the Hawkins County Memorial Hospital as a key healthcare organization in our community. It’s -- our high
caliber healthcare is an important component in the quality of life of our region and plays a key role in our recruiting and retention efforts.

The proposed merger of Wellmont Health Systems and Mountain States Health Alliance represents an opportunity to significantly improve the health and well-being of our region with the investment of 450 million dollars in beneficial commitments. These will be achieved through efficiencies resulting from the two organizations coming together. These commitments are comprehensive and will allow our region to make more -- most -- to make more of an impact in the area of substance abuse and mental health. We will also be able to preserve and expand rural services and access points, which is very important in -- in Hawkins County and Hancock County.

The two health systems will be able to help our region live well by investing in programs that will decrease premature mortality from diabetes, cardiovascular disease, and multiple forms of cancer. And these are prominent health issues in our region and we welcome the health systems’ attention to this.
Through the proposed merger we will maintain local governance of our healthcare. This ensures the efficiencies that we are able to achieve will be reinvested into our region and for the benefit of those who live and work there and will also preserve local jobs. With approval of the application for the Certificate of Public Advantage and active supervision from the State, Wellmont and Mountain State will be able to transform healthcare in our region and that’s an exciting proposition for us in Hawkins County. Thank you.

**Commissioner Dreyzehner:** Thank you.

**Hearing Officer Ockerman:** Thank you. Teresa Kidd.

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**Ms. Kidd:** Good evening, Dr. Dreyzehner, Mr. Ockerman, and Ms. Young. My name is Teresa Kidd, K-i-d-d, and I’m the President and CEO of Frontier Health, the region’s largest provider of mental health, substance abuse, and intellectual developmental disability services. We provide services in the eight counties of Northeast Tennessee and in Lee, Scott, and Wise Counties and the City of Norton in Southwest Virginia.

Frontier Health has been very involved in the assessment process in both Tennessee and
Virginia regarding the advantages versus disadvantages of the proposed merger. Over the past two years the leadership of Frontier Health has been involved in stakeholder meetings, steering committees and advisory committees. Through the mental health and addiction subcommittee process, other stakeholders and providers of behavioral health services throughout the Virginia service area were also involved in the analysis of gaps and how the proposed merger could assist in meeting those gaps and needs. In other words, there was an effort made by Mountain States Health Alliance and Wellmont Health Systems to seek out the opinions and expertise of those of us engaged in the behavioral health arena.

Significant commitments to the community were made as part of the COPA application and it was the job of the mental health steering -- and addiction steering committee to evaluate the strengths and gaps in our region and to take a focused look at what would be needed from an assistance perspective to reduce the prevalence and consequences of substance abuse and mental health problems in Northeast Tennessee and Southwest Virginia.
Effective prevention efforts, early identification and intervention and an adequate and full continuum of treatment services available for all regardless of their ability to pay, as well as integration and education within the community to decrease stigma and increase access to care proposed -- were proposed to be the hallmarks of excellence in a regional array of behavioral health services.

Various significant financial commitments have been made in the COPA application over a 10-year period including: at least 75 million dollars in population health improvements; 85 million dollars to develop and grow academic research opportunities, support postgraduate education, and strengthen and preparation of nurses and allied health professionals; nearly 150 million to facilitate the regional exchange of health information among participating providers. All of these will help promote improvements in primary and specialty care, including behavioral health. But in addition, 140 million had been committed for the expansion of specialized mental health, addiction recovery, and substance abuse prevention and treatment services, as well as other healthcare needs.
Developing an understanding of the difference between a COPA process and a traditional merger process has been a great learning experience for those of us who have been active in the community stakeholder meetings. The COPA process appears to be invested in continued collaborations with community providers. After being involved for nearly two years in the COPA process, Frontier Health believes the commitments made by the merger will yield far more advantages to our respective communities than disadvantages and we support the proposed merger. Thank you.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you. Alexis Gilman.

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Ms. Gilman: Hi, my name is Alexis Gilman, G-i-l-m-a-n. Good evening, Dr. Dreyzehner, members of the Department. I’m Alexis Gilman, Assistant Director of Mergers IV Division at the Federal Trade Commission. I appreciate the opportunity to speak before you tonight. As always, my remarks are those of FTC staff. They do not necessarily represent the views of the commission or any individual commissioners, although the commission has
authorized me to give these remarks today.

As we have previously testified, local consumers benefit from close competition between the applicants, Mountain States and Wellmont, in the form of lower prices, higher quality, and greater access to care. If allowed to merge, the combined hospital systems would have a dominant market share in inpatient services and a significant market share in several outpatient and physician specialty service lines. The loss of that competition would result -- is likely to have significant negative effects on hospital prices, quality of care, and the availability of services.

The applicants have submitted additional information but still have not shown that the purported benefits of the merger will offset these harms. In particular, the applicants have recently submitted three reports to the Department of Health. We carefully reviewed those reports in -- in consultation with a leading independent healthcare expert. None of those reports provides additional evidence or analysis that changes our evaluation of the merger and we remain concerned that the merge will cause significant harm to consumers in the region.
Earlier today FTC staff submitted a written public comment discussing our concerns with these three reports. Tonight I will highlight a few of these concerns. Notably absent from the Compass Lexecon economist report is any empirical analysis of current competition between the parties or the harm likely to result from the merger. This report also fails to consider the benefits and efficiencies the applicants likely could achieve on their own but through other means; therefore, likely overstates the benefits of the proposed merger.

The Compass report also fails to provide evidentiary support for many of its claims and we believe it misstates some of the facts, including the claim that the applicants’ incentives are best aligned with those of health plans. In fact, public evidence shows that health plans oppose the merger. Similarly, the applicants’ other two reports do not account for the benefits of competition between the applicants and overstate the merger’s incremental benefits.

Additionally, we note the parties have not, at least publicly, offered any additional or improved commitments. Thus, the flaws and gaps in the applicants’ commitments that we identified in
our last public comment remain.

Finally, I want to reiterate that it would be difficult, if not impossible, to pry apart a merger involving so many hospitals once the applicants consolidate or eliminate service lines, facilities, and jobs. Therefore, antitrust enforcement would not provide a good remedy if the COPA is approved but the Department later determines that the disadvantages outweigh the benefits.

For these reasons we respectfully submit the Department and the Attorney General should deny the COPA. Thank you again for your consideration.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you. Wesley Combs.

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Mr. Combs: Hello, my name is Wesley Combs, W-e-s-l-e-y, C-o-m-b-s. I’m here -- I represent a company called OnePartner and I want to thank you for the opportunity to kind of address kind of some of the comments we’ve had made on some review.

So OnePartner is a healthcare technology company with its corporate offices located in Northeast Tennessee and Southwest Virginia. OnePartner HIE began with the goal to improve
patient care quality by providing instant access to patient records through the Health Information Exchange.

OnePartner would like to provide factual clarification on misstatements found in the responses to questions dated April 22nd, 2016 concerning OnePartner and its scope and capabilities.

In Exhibit 19 on Page 2, OnePartner is described as an exclusively regional Health Information Exchange available to providers located in Northeast Tennessee and Southwest Virginia. The HIE started with a goal to provide regional community record but has since expanded its footprint nationally into six more states and since expanded its functionality for population health.

The second correction is as to the amount of information OnePartner is capable of managing. The misstatement is, “The information fields available in the OnePartner HIE are limited to the following,” after which 18 elements are listed. OnePartner, in fact, collects up to 392 data elements that can describe a single healthcare event on a -- on a patient. This aggregation can easily add up to tens of thousands of data points for one
patient visit to a hospital or a doctor. The data collected can be used in risk identification, HCC, patient and physician attribution, transitions of care, along with patient stratification, just to name a few. These are all attributes of a solid population health management platform that are intended to supplement a competent hospital information or doctor’s EMR system, not to replace them.

OnePartner’s unwavering commitment to the community focuses on improving healthcare through the collection and dissemination of the patient data. Currently 15 OnePartner employees actively work on the HIE and are dedicated to its continuous improvement. OnePartner HIE services our EHR agnostics so any client on any EHR with any affiliation can subscribe to our services and benefit.

In closing, I know you all are faced with a difficult decision to make that could affect our region for generations. The decision will set a precedent for the rest of the state. So I do appreciate your accessibility and desire to seek public feedback. After all, this is approving a certificate only if the public get the advantage. I
want to thank you for the opportunity to give you these comments.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you. Dan Eldridge.

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Mr. Eldridge: Good evening, Commissioner. I’m Dan Eldridge, E-l-d-r-i-d-g-e. I am the Washington County Mayor and I’m here this afternoon to express my strong support for approval of the merger.

I’m thankful to the boards of Mountain States and Wellmont for their commitment to this region that -- that has led to an agreement to join forces. Their decision based on large part on how to sustain and best provide for the healthcare needs of the families they serve has resulted in an opportunity that will have far-reaching positive implications on this region.

As we face the ongoing health challenges, their fiscal impact on our households, businesses, local governments, and our local economy and the population health issues that we must overcome in this region, leaders in this region like myself need assurances, assurances that the years of uncertainty is about to pass as a result of a positive outcome.
to this process.

We need a commitment, a commitment to continued access and quality of care that can only be made by a board that lives here, works here, and is committed to bettering the future of this region.

And we need a plan, a plan developed by a management team with the experience and understanding of or healthcare systems and the healthcare needs of our region who have promised to not just maintain but build on the capabilities and strengths of the combined systems to better serve the families of this region. This commitment and this plan are what make this merger our way forward.

I say this after carefully considering the impact of the proposed merger of these two systems. It’s my firm belief this merger is our best option to sustain the quality and availability of comprehensive healthcare services currently available in this region and to avoid the likely economic impact which could result from a loss of local control.

A combined system of Mountain States and Wellmont managed by the team of professionals we know, governed by a local board representing and invested in the communities of this region and
operating under the terms of a Certificate of Public Advantage is our way forward. And as such, I will sincerely appreciate your favorable consideration of our plan and our commitment to address the healthcare challenges of this region with a local solution. Thank you.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you. John Speropulos.

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Mr. Speropulos: You had a hard time saying that one, didn’t you?

Hearing Officer Ockerman: Took me just a second.

Mr. Speropulos: That’s okay. It sounds like a disease. My name is John Speropulos and it’s spelled S-p-e-r-o-p-u-l-o-s. So you’re fine. I live in Johnson City with my wife and two kids. I’m a development partner with Mitch Cox Companies and have done that for -- for many years within our -- our region.

Over the years I’ve volunteered with many not-for-profit organizations, as well as ministries that serve kids here in the community. Today I’m only going to highlight the fact that I’ve served on the Finance Committee for Mountain States for many
years, as well as served as a trustee and past chairman of Mountain States Foundation.

Due to the pressures of healthcare and slowed population growth in our area, I believe our healthcare systems are facing a period of change that I’ve witnessed and significant financial challenges.

(Off the record conversation)

Mr. Speropulos: Although both systems have done their best to reduce expenses, there’s only so much they can do while remaining independent and having to duplicate costs...

(Off the record conversation)

Mr. Speropulos: It’s important to me that our region’s healthcare systems remain not-for-profit organizations and that they’re governed locally and dedicated to improving our community’s health, rather than making them accountable to the balance sheet of a company based somewhere else. I want to see our healthcare governance remain local and this merger allows for that.

I’m also hopeful that this merger can be an -- an important first step towards a regional cooperation and unification to address an issue that affects us all, our region’s healthcare crisis and
its serious issues which are becoming expensive for all of us. For my family and my friends who are experiencing healthcare costs that are becoming challenging I sincerely believe that this merger with the proposed caps that have been outlined will benefit my family and my friends.

But a -- but a different tack I want to take tonight is that as a developer and an economic recruiter for our region I often go out and promote our region to various industries and retailers around the country. Often I experience a barrier to industries and retailers wanting to stake a -- wanting to stake a presence here because they see us as three or four smaller -- three or four smaller -- sorry.

(Off the record conversation)

Hearing Officer Ockerman: I think you were taking a different tack.

Mr. Speropulos: Thank you. I’ll start there. Yeah, for that different tack, as a developer and an economic recruiter for our region I often go out and promote our region to various industries and retailers to go around the country to try to get them to come here. Often one of the barriers that I experience is the retailers really
-- they don’t see us as one great viable entity.
They see us as three or four separate cities that
are smaller and they don’t really have a great
demographic economic impact to get on their radar so
they don’t want to come here.

I sincerely believe that with this merger
it can be one of the first steps to promote regional
cooperation so that we’ll begin to get on the radar
of some industries and some retailers and other
businesses that I’d like to see in this market. If
we operate as one region from a healthcare
perspective we can put ourselves on the map to
compete nationwide and it’s that competition that
can bring research dollars and help our hospitals to
recruit some of the nation’s very best talent. And
if we as a region can cooperate on healthcare, then
hopefully we can find that there’s other areas where
we can work together as well.

To put it another way and the last thing
I’ll say, the founder of our company, Mitch Cox, has
often characterized our region as -- as individual
cities that are kind of like shooting BBs towards
each other and around the country to get attention.
But if we come together as a region and this merger
facilitates that cooperation, then with a unified
approach and message we can start making an impact that’ll be more like shooting cannon balls to showcase our effectiveness and a -- as a viable economic region to locate a business. We need this merger for more than one reason and I urge you to support it, please. Thank you.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you and thank you for your patience.

Mr. Speropulos: No problem.

Hearing Officer Ockerman: Dr. Scott...

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Dr. Dulebohn: Good evening. Good evening. My name is Scott Dulebohn, D as in David, u-l-e-b, as in boy, o-h-n, as in Nancy. I’m a neurosurgeon. I’ve been working for Mountain States and the VA for almost 11 years, since I moved here to Johnson City at that time.

I am, you know, torn about the fact that we won’t have as much competition and from a neurosurgery standpoint one group can go to another place and fight the other and try to get more funding, as we all are avarice, and neurosurgeons especially. But there is no question in my mind the factor that we’re paid in this region by Medicare is
so low -- we are the lowest factor of any hospital
system in the country. That income isn’t coming in
and all of the insurance companies, be it the
Amerigroup or, you know, some factor based on that,
the funding isn’t there.

The fact that the hospital system is
willing to commit to as a joined unit build more
universal programs. We look at the children’s
hospital. As a neurosurgeon who likes to take care
of children, it’s hard to buy a endocrinologist in
Johnson City and an endocrinologist in pediatrics in
Bristol and Kingsport. And working together with
the university and helping fund these physicians
together we can really build better programs. No
one wants to be an N-of-one. We’ve had in my --
these 11 years, six pediatric neurologists come and
go because they can’t afford as a single fighting
one system against the other to hire two. And no
one can be on call all the time. Dr. Dreyzehner I’m
certain is familiar with call and the lifestyle that
that makes.

And so from a standpoint of being able to
develop programs that are across the system, I look
at a robot that we want. It’s a million dollars.
The idea that we’re going to spend a million dollars
here and then if I want to do the work at Holston Valley they’re going to have to spend a million dollars on that robot. There are consolidations of services of physicians that really can occur better as a merged system. There isn’t enough margin for the systems to really be doing what they’ve been doing. Yes, they can get a CON because then they can say, “In our county we don’t have enough of X,” you know, and so the CON -- but it doesn’t look at it as a practical service line, how we’re providing care to patients and that’s really what it’s all about, is how we can help people in general.

You know, the -- the child health initiatives, the, you know, plans for, you know, the drug and the mental health, I mean, this is a region that is really suffering. And unfortunately, we can look at the FTC and say, “Oh, great. We need more competition.” The problem is we can’t afford to stay the way we are and be locally managed. I really can’t emphasize enough how important it is that we are a merged group and help bring the three organizations together, the university and Wellmont and the Medical Center in terms of bringing better faculty and so forth to the region and our patients. Thank you so much for supporting our plan. Thank
you.

**Hearing Officer Ockerman:** Thank you very much. So the doctor was our last scheduled speaker. If there’s anyone who would like to speak and wants to, please come on up. And be sure to provide your name and spell it for the court reporter, please. Yeah, and don’t trip on the cord.

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**Mr. Greene:** My name is Bill Greene, G-r-e-e-n-e, and I feel like this is our 25th reunion. It seems like it’s been that long. We started this three years ago. We’ve spent millions and millions and millions of dollars, and it’s been interesting for me having lived here 80 years and why we started this project in the first place.

And if you listen to the people that have come before me -- you notice I didn’t bring any notes because I’ve been talking about this, Jeff, for three years, as you know. You’ve got a good picture of why our region wants these hospitals together. John mentioned it. We’re in -- John Speropulos. We’re in competition with the world. We spent the last 75 to 100 years playing Friday night football up here between Johnson City, Bristol, Kingsport. And as you all know working in
Nashville, nearly 90 percent of all industry that comes to Tennessee comes from the governor’s office, comes from your counterpart, economic development.

And I’ve worked on economic development here since 1960 with Frank Clement, and invariably what he says to me when I was with Governor Clement and has said since then is, “Every time we get a prospect in Nashville and you want someone to look at you in East Tennessee, we have to go to seven different economic development people from each political subdivision that has their own little McDonald’s on the corner.”

What we’re trying to do is pretty obvious. We’re trying to grow up. We’re trying to become who we can become and who we should become. We’re trying to keep our people here so we don’t send them to Nashville and their parents have to get a motel room because they’re going down to visit Tommy Frist. We’re trying to do what the rest of Tennessee has done so that we can become a major part of Tennessee.

I started this program three years ago with four objectives. They’re very simple. They haven’t changed. The first one is improved quality of health; the second is cost containment; the third
is economic development. It’s the most powerful economic engine we will ever have in this area. And the fourth one is governance. We know more about what we’re doing up here than some Ph.D. economist from Washington, D.C.

Thank you, Dr. Dreyzehner. I hope when you retire you’ll come back home. We’d love to have you here. Thank you for all you guys have done. I know how diligent you’ve been. I’ve been before you over and over and over and it’s time we move on. Thank you.

Commissioner Dreyzehner: Thank you.
Hearing Officer Ockerman: Thank you.

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Mr. Pohlgeers: Thank you, Dr. Dreyzehner and the panel for allowing me the opportunity to speak.
Hearing Officer Ockerman: Be sure to state your name and spell it, please.

Mr. Pohlgeers: Sure. Dan Pohlgeers, P as in Paul, o-h-l-g-e-e-r-s. I am an independent medical practice consultant. I have about 12 contracts up here in Northeast Tennessee but I want to stress the importance of that I am not here representing any of those clients of mine. I am here representing myself as a consumer of healthcare in the Tri-Cities
area.

Over the last two years -- it was April 2nd, 2015 that the hospitals announced publicly that they intended to merge. One thing’s for certain: Everyone in this room has a vested interest in -- in this process. And I’m sure my friends and colleagues in the area may not like what I have to say but I assure you that I think that what I’m going to say is in the best interest of the community. And I believe that they have the best interest in the community in -- in their statements.

But the one thing that -- the -- the couple things that I -- that I remember most about that April 2nd, 2015 day and then also the September of 2015 when they sent the letter of intent was that the community was told that there were several things that were going to happen, that the merger was necessary for the financial viability of the two entities, that the merger was necessary to maintain local control, that competition in healthcare marketplace is not necessary, that consolidation would decrease costs by eliminating duplication of services, that quality innovation would be enhanced by contracting and investment, that collaboration on public health issues was -- was only possible if the
merger occurred.

The letter intent was filed just after the end of the 2015 fiscal year for both hospital systems. In that year, 2014 to 2015, Mountain States Health Alliance posted a 221 percent increase in their net operating expense. They actually posted a little over one billion, with a B, in total revenue while Wellmont posted a reported 694.1 million.

Employment and access have -- to care have -- have been at the forefront of the -- a local control argument; however, the systems only make limited commitments to maintain their existing facilities after the merger. It is implied that the current hospital systems will continue to be healthcare clinics and entities but there is no guarantee that they will continue to operate the current service levels. Ballad admits that there will be consolidation and -- of facilities and job losses. It is impossible to speculate but it -- it is -- it is impossible to speculate but it is possible that the greater negative effect and impact on access to care and employment may be the merger and not another entity coming in and competing with these two entities.
In closing, I -- I do have a written statement but I also want to say that both hospital systems currently collaborate with other healthcare entities. ETS -- ETSU and Frontier Health both collaborate with Mountain States. It’s been stated here tonight. But also I want to mention something else that’s happening in other parts of the country.

In November of 2016 long-term rivals Carolina Healthcare, which is not for profit, and Novant Health systems launched a partnership to improve the health of Charlotte’s communities where -- whose population health status is significantly challenged.

Hearing Officer Ockerman: Thank you, Mr. Pohlgeers.

Mr. Pohlgeers: Thank you very much.

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Mr. Mabrey: Good afternoon. I’m Gary Mabrey, M-a-b-r-e-y, President and CEO of the Johnson City/Jonesborough Chamber of Commerce, apologizing for not being here to sign in. I have literally been on the road from Nashville, had to stop and pay my respects at a family celebration of life, which leads me to these very few comments. This isn’t my first time addressing you. I’m so glad to see you
again and, Jeff, good to have you back.

Our chambers have been supportive of this from the very beginning. We sent you a letter early on. We resubmitted a letter. You were very gracious to come to our respective offices. And while I’m not speaking for my two collegial chambers, I guess from a standpoint of a regional chamber we can say that we haven’t changed our mind. That’s where my comments are going to be, but very brief.

You will make a milestone decision. You will position this region -- this macro region to be worldly and globally competitive. You will allow our university and our health professionals to do their jobs even more, and our citizens will achieve and receive not only quality healthcare but preventative healthcare. I certainly encourage you to do it. Our chambers haven’t changed our mind. The thousand members and 40,000 some employees of the Johnson City Chamber continue to support it, ask your support and approval of the COPA. And thank you, and see you soon. Thank you, sir.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you. Is there anybody else who wants to speak. Yes, sir.
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Mr. Hardison: My name’s Allen Hardison. I live in Johnson City. I’m disabled, I’m on Medicare -- Medicaid, and I’m here about a couple of things.

Prior to building Franklin Woods, Mountain States promised that at the -- when they -- they were going to consolidate Northside, the Specialty Hospital, and Quillen Rehab, which that didn’t happen. I don’t know why. It -- it’s leased out now. That’s probably okay. But it didn’t seem like they stuck to the game plan and then they flattened Northside. I went to the grand opening of Northside in mid ‘70s. To what the extent it needed repairs or deteriorated, it’s because they let it go that way. They’re renting out office space all over the area.

It seemed like when Bristol built their beautiful hospital with a big lobby atrium, they felt upstaged and were more concerned about that and then they even -- in the little lobby on the original front -- I mean, they added a big, new one on the mountainside in Johnson City but then they put in what Jed Clampett would say was a leaky wall. They eventually gave up maintaining that, you know, water trickling down stone. They’re -- seems like
they’re more concerned about stuff like that. You know, waste not, want not. It just seems like I see a lot of waste. It’s ridiculous.

Now, I’m dealing currently with my insurance with a monopoly on one medical specialty in the Tri-Cities. There’s one urological group for the whole Tri-Cities. Now that they bought out or put out of business their competitors, people from Marion to Mountain City have to go to Greeneville because they say they don’t want to deal with the United Healthcare or Blue Cross plan.

Now, I switched from one to the other because I’d already had to change dermatologists twice in a year. You know, they’re shuffling me around. But I -- I couldn’t deal with United anymore. Sixteen pieces of mail in my mailbox a day. But so anyhow, I ended up back in the same boat urologically speaking with the Blue Cross plan. At -- up until this point I didn’t understand there’s a different plan for retired people and different for disabled people but so I’m -- did I say I’m having to go all the way to Greeneville? I had a head injury and I’m medicated right now for kidney stones. I had two surgeries each of the past two summers and I’ll have to say as
far as the way -- I went to Wellmont last summer for
the two kidney stones. The way they bill things
makes a lot more sense. I’ll -- that’s a story I’ll
tell you privately if you want to hear. They --
they seem to recognize who I am from one person to --
-- to the -- one time to the next.

But anyhow, so there’s one monopoly in
urology. Is that what’s going to become of -- oh,
and it’s not really the primary care. I got the
back story on it. It’s the -- it’s the Medicaid.
It -- it doesn’t matter if you’re military TRICARE.
If Medicaid is your secondary co-pay that’s what
they don’t want to deal with. They can’t twist
Uncle Sam’s arm for any more money. They got too
damn greedy and that’s what I’m worried will happen,
that I’m going to have -- whatever or whoever, be it
a car accident or kidney stones, go to the hospital
and the ER turns you away because you don’t have the
right insurance. So what’s going to keep them from
doing the same?

I -- I mean, I was trying to be optimistic
and ideally think positive and -- and if it does go
through I hope it works, but right now I’m really
second-guessing this, that I have to drive all the
way to Greeneville. Thank you.
Hearing Officer Ockerman: Thank you very much.

Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Is there anyone else who wants to speak? Be sure and spell your last name for the court reporter.

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Mr. Hein: Commissioner, my name is Ray Hein, H-e-i-n. I’m the Trauma Program Manager at Holston Valley Medical Center. I’m not here to persuade you one way or the other. I just want to make sure that you have the correct information that you need from trauma standpoint.

Now, number one reason for death for ages one to 44 is due to injury. Now, number fifth reason for death for all ages is due to injury. Now, we have three trauma centers that are here in the region. Now, due to the patient load in all three of those, if we had one trauma center we actually wouldn’t be able to handle the patient load here because none of the hospitals have the structure, because we would have as much patients as what UT hospital would have, number one.

So currently we actually need the three trauma centers that we currently have. Now, if later on they created one central hospital to take
care of those three tertiary care centers, then that
would alleviate a lot of the duplication or
triplification of services, but that’s something to
think for later on, which would be a long-term goal.

My personal thought is I can see benefits and
disadvantages to whether or not you have a -- a
merger or not.

You know, a lot of nursing staff have
actually said, well, we’re going to have -- we’re
not going to have to -- we’re going to have to worry
about pay and jobs because of it. Well, my personal
thing is going between both Mountain States and
Wellmont, working at both previously, is that pay-
wise it’s about the same, whereas the current --
they had been looking at both of them and looking
for pay-wise between the two and balancing between
the two, whereas if they no longer have that and
they are unified as one, they’re actually going to
have to look outside the area and increase pay and
would actually benefit the staff as a whole, is --
is my thing. But, you know, you’re also going to
have to worry about whether or not you can actually
get a -- a job in one system. So thank you for
allowing me to come and talk to you and I hope you
have a good day.
Commissioner Dreyzehner: Thank you.

Hearing Officer Ockerman: Thank you very much. Is there anybody else? No? Want to throw out any closing remarks?

Commissioner Dreyzehner: Would anyone else like to speak? Okay. Seeing none, I really appreciate the richness and depth of the comments this evening. I -- sorry about the time limits and I really appreciate all of you coming here today. And thank you very much for your time and attention.

(This ends all matters in this hearing)
State of Tennessee
County of Sullivan

I, Deborah Todd, LCR #173, Licensed Court Reporter and Notary Public in and for the State of Tennessee, do hereby certify that the above hearing was reported by me and that the foregoing _____ pages of the transcript is a true and accurate record to the best of my knowledge, skills, and ability.

I further certify that I am not related to nor an employee of Counsel or any of the parties to the action, nor am I in any way financially interested in the outcome of this case.

I further certify that I am duly licensed by the Tennessee Board of Court Reporter as a Licensed Court Reporter as evidenced by the LCR number and expiration date following my name below.

In witness whereof, I have hereunto set my hand and affixed my notarial seal this the _____ day of July, 2017.

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