

Tennessee Department of Health Public Hearing

Regarding the Application for the Issuance
of a Certificate of Public Advantage,
Submitted February 16, 2016, by Mountain States
Health Alliance and Wellmont Health System

Pursuant to T.C.A 68-11-1303

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TAKEN AT: THE SLATER CENTER AUDITORIUM
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BRISTOL, TENNESSEE

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P R O C E E D I N G S

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COMMISSIONER DREYZEHNER: So with me today are -- please have a seat. With me today are Jeff Ockerman, our Director of State Health Planning Process; and Allison Rajaratnam, who has recently been married, and I'm still working on how to correctly pronounce her name.

I appreciate everybody being here today. As you know, as I have said before, this is a very important decision both for this region and for the State of Tennessee. It is precedent-setting in many ways, and we are in the process of reviewing what is now a completed application.

We have 99 days from today to make a decision regarding whether or not to issue a Certificate of Public Advantage.

We understand that this has been a complex process. I just want to say that we appreciate everybody's patience and all of the parties who have provided input to date, both through these public hearings and on-line.

And I would emphasize that there are lots of ways to provide input into this process. So for people who are not comfortable speaking in

1 public, we are able to take your comments on-line
2 at our website.

3 The tn.gov website is a good place to
4 start. If you actually search on the terms
5 Tennessee Department of Health and COPA, the site
6 will come right up. I did that myself not long
7 ago.

8 You're able to submit those comments
9 either anonymously, if you prefer, or provide as
10 much information about yourself as you like. But
11 again, we appreciate all the comments.

12 We are looking at all of them, and with
13 that I will invite Jeff Ockerman to begin our
14 hearing. I just would note we don't have very
15 many speakers today.

16 We typically ask people to stick to
17 three minutes. But because the speaking list is
18 relatively short, I will start off with a
19 five-minute time allowance.

20 And then once everybody has had an
21 opportunity to speak, if somebody else wishes to
22 make a comment or wishes to add to their comments,
23 we can allow another five minutes following that.

24 But again, thank you for being here, and
25 I will turn it over to Mr. Ockerman.

1 DIRECTOR OCKERMAN: Thank you very much,
2 Dr. Dreyzehner. Again, we're allotting five
3 minutes for each person to speak at this point,
4 and then you can add comments later if you want to
5 and assuming we have time.

6 And Ms. Rajaratnam, whose name I can
7 pronounce, will hold up a time note when you're
8 approaching or when you've reached your five
9 minutes, so please be observant of everybody's
10 time allotment and courteous behavior.

11 Thank you for that. Let's go ahead and
12 begin.

13 I do want to say that this is a public
14 hearing. It is being transcribed. It is being
15 videoed, and we do have news organizations here as
16 well, so all of this is totally transparent and on
17 the record.

18 First speaker, Joe Macione. And if I
19 said it wrong, please correct me.

20 JOE MACIONE: I'm used to that. It's
21 Macione.

22 DIRECTOR OCKERMAN: Macione.

23 JOE MACIONE: And I thank you,
24 Commissioner, for having this hearing today.

25 Fellow panelists, I want you to know

1 that this message was approved by me and not by
2 Wellmont and Mountain States, and I'm here to
3 speak in favor of the merger. I'm going to blow
4 out five minutes, so bear with me.

5 I was asked in about, I think, 1994 to
6 serve on the Bristol Regional Medical Center
7 board, and shortly after that we merged in 1996,
8 Bristol Regional and Holston Valley. I served on
9 the board during that period of time, the merger
10 in the first few years.

11 I served as Chairman of Wellmont, the
12 second chairman from 2000 to 2002. We learned a
13 lot of things during that merger. We had public
14 hearings locally, not sanctioned by Nashville or
15 Washington, and we thought we understood the
16 concerns of the people of the area.

17 People are at first the change, as you
18 probably know, and sometimes that comes out during
19 these merger conversations or proposed merger.
20 This time we're hearing less of it than we did for
21 the two hospitals, two major hospitals in Sullivan
22 County's merger.

23 We heard everything from we're going to
24 lose our jobs. We worked for Wellmont. At that
25 time it was Bristol Regional or Holston Valley.

1 We're going to lose our doctors. It's
2 going to cost us more. If this thing goes
3 through, they'll shut down Bristol Regional
4 Medical Center. We won't even have a hospital
5 here.

6 We went through all of that, and 20
7 years later I stand before you today and tell you
8 that none of that happened. We've got more
9 employees now, Mountain States/Bristol Regional,
10 than previously. We've got a better health care
11 system today than we did before, when individual
12 hospitals had to stand on their own merits.

13 We seen during this period of time that
14 oftentimes one hospital -- it can be a large
15 hospital. It can be Holston Valley. It could be
16 Bristol Regional, or it could be Lonesome Pine, or
17 it could be Hawkins County.

18 They have up and down times, and the
19 other hospitals might not have up and down times
20 at the same time. So they support each other when
21 they're merged together.

22 That's been the strength of the merger.
23 But we see a high quality of health care today
24 than we ever have in the past. We see, I see,
25 parallels between what's proposed now, and I'm not

1 on the hospital board any longer. Have not been
2 since 2004. Have nothing to do with either
3 hospital system other than I'm on one committee
4 for Wellmont.

5 But I see parallels as to what's
6 happening at the present time to what we went
7 through. Before even though it was a hospital, we
8 had a way to merge shortly afterwards with
9 Lonesome Pine.

10 And I fully believe that some of these
11 hospitals that's merged into these two systems
12 over the years would not be in existence today had
13 it not been for the mergers that have taken place
14 over these years. I strongly feel that way.

15 The present process that you've gone
16 through dictated by law has been wonderful,
17 because these questions should be answered before
18 the merger takes place, and I think you've done
19 that. Oh, my goodness.

20 I was astounded this week when I picked
21 up the local paper and saw the FTC stuck their
22 nose under the tent on Monday night. I've even
23 gone so far as to read 123 pages that they have in
24 their report, staff report, and I see that report
25 based on one attachment.

1 There are three attachments to the
2 report. I can't finish it. I'm sorry. I think
3 I've got something to say.

4 DIRECTOR OCKERMAN: I'll give you a
5 little bit of extra time.

6 JOE MACIONE: I do, if you could grant
7 it.

8 DIRECTOR OCKERMAN: Go ahead, sir.

9 JOE MACIONE: Okay. Thank you. In that
10 report, there are three attachments. Two of them
11 are generally anti-merger for the health care
12 systems, and the whole report from the very
13 beginning seems to be anti-merger.

14 That third attachment is from Anthem.
15 Anthem, as you know, has just been refused merger
16 by the FTC. And it appears since it was a
17 direct only to Virginia, not to Tennessee that --
18 and Anthem serves in Virginia -- that they were
19 attempting to solve a problem.

20 They had prevented them from merging, so
21 now we're not going to let any hospitals merge.
22 Every time a hospital merger comes up or a system
23 merger comes up, they attempt to shut it down.
24 That is the whole thrust of the 123 pages that
25 they said they worked on over the years, which I

1 cannot believe, but that's bureaucracy, I guess.

2 DIRECTOR OCKERMAN: Thank you very much,
3 Mr. Macione. We'll bring you back up.

4 JOE MACIONE: Thank you very much.

5 DIRECTOR OCKERMAN: Thank you, sir. The
6 next speaker is Jeffrey Hundman.

7 COMMISSIONER DREYZEHNER: Hello,
8 Jeffrey. Nice to see you.

9 JEFFREY HUNDMAN: Hello, Dr. Dreyzehner.
10 Good evening. My name is Jeffrey Hundman. I'm
11 the CEO of the Clifton Companies.

12 You may not be aware of us, but we are a
13 group of ancillary services company, and we are
14 based in Virginia. You may be asking why we're
15 here tonight at the Tennessee meeting.

16 What we've been concerned about is we
17 are 100 percent behind the merger of the hospitals
18 and the physician practices. Where our concern
19 lies is with ancillary services.

20 As you're bringing these organizations
21 together, which is going to be a huge benefit for
22 the community and for the region, you are bringing
23 together into a single referral source. As we are
24 going to have some of our residents come to
25 Tennessee, we want to make sure that there's an

1 open and fair and equal process for getting those
2 patients to ancillary services.

3 Ancillary services, as you well know
4 with health care, is going to become a crucial
5 part of the success of health care in the future,
6 as they're trying to discharge patients into the
7 home where there is better benefit for those
8 people.

9 So we're asking both Tennessee and
10 Virginia to consider that in this process, that
11 there is stipulations within the COPA that make
12 sure that Mountain States or the new valid health
13 care has the right format to have open access to
14 all, to a very vibrant market for ancillary
15 services.

16 Some of our services that we're
17 concerned about would be home nursing, durable
18 medical equipment, refill pharmacy, long-term care
19 pharmacies. We also have assisted living. We
20 have ambulance services.

21 We're servicing both states and people
22 in those states, but our base of operations are in
23 Virginia. But it's crucial that the people that
24 are discharging these patients are open and have
25 access to provide, making sure that there is clean

1 choice, clear choice for any of the patients that
2 are being discharged.

3 So we're just, again, we're 100 percent
4 behind it. As a former CFO for Mountain States
5 Health Alliance, I agree and I understand and I
6 support the merger of the hospitals. We just want
7 to make sure that the ancillary services that have
8 a current vibrant market of the competitors remain
9 that way, so I thank you for your time.

10 DIRECTOR OCKERMAN: Thank you very much,
11 Mr. Hundman. Mike Stollings.

12 MIKE STOLLINGS: Commissioner,
13 panelists, thank you for the opportunity to be
14 able to address you this evening. My name is Mike
15 Stollings, and I'm here to speak on behalf of the
16 merger.

17 I'm the Vice President of Human
18 Resources at Electro-Mechanical Corporation here
19 in Bristol, Virginia. EMC is a privately-held,
20 family-owned business that's been part of the
21 Bristol community for over 58 years.

22 We currently employ about 500 associates
23 in the Bristol area, and we're a manufacturer of
24 electrical distribution equipment. From our base
25 here in Bristol, we serve a full domestic market

1 as well as an international market.

2 We understand that having a world-class
3 medical system is vital to our success. It's
4 vital to our success from a recruiting
5 perspective, from a retention perspective if we
6 want to develop and maintain a world-class work
7 force to be able to compete in today's
8 environment.

9 Our medical plan is, we have a
10 self-insured plan. We have a very traditional PCP
11 product that's coupled with a flexible spending
12 account. We have a consumer-driven plan that is
13 coupled with an HSA.

14 And I will tell you that our medical
15 spend for our company is a significant,
16 significant expenditure. And as a result of that,
17 we work very diligently to be able to manage it
18 and to be able to manage it strategically.

19 We believe that a medical plan, we
20 believe that health care is a lot more than
21 clinical care. We believe that there are at least
22 five significant components that we need to manage
23 to be successful in our health care.

24 And that's having an accessible,
25 high-quality, and affordable provider network,

1 having a broad-based network system, having a very
2 effective disease management program, as well as
3 an effective wellness program, and having I guess
4 what I will call effective consumer tools to equip
5 our associates to be able to become effective
6 shoppers for health care, if you would.

7 We have a vested interest and our
8 associates have a vested interest in the outcome
9 of this merger. We've had the opportunity to be
10 able to sit across the table from both Wellmont
11 and Mountain States and to be able to work
12 together to successfully put programs and plans in
13 place that will benefit our associates.

14 We believe that this merger will benefit
15 our company, our associates, as well as the
16 community significantly.

17 As I look at the population, as I look
18 at our community, as I look -- and really when I
19 do that, I see a reflection of our work force, and
20 we know that our region faces challenges that are
21 similar to those that are being faced on a
22 national scale.

23 The cost of health care is increasing at
24 a rate that's an unsustainable rate. You know, it
25 can't just continue, and it has to be addressed,

1 so we believe that it has to be addressed from a
2 progressive and a creative management perspective.

3 It's very difficult to work in the
4 regulatory environment that a medical system has
5 to work in. Nevertheless, that's an obstacle to
6 overcome, not an obstacle to stop progress.

7 From a population perspective, I believe
8 that our community probably reflects what the
9 statistics at the CDC would share. They would say
10 that over 80 percent of medical costs in our
11 country are driven by chronic diseases, and a
12 significant portion of those would be preventable
13 chronic diseases. Thank you.

14 So I believe that it takes a
15 multi-dimensional approach to health care for our
16 area. I believe it needs to be inclusive of
17 partners. I believe that both of these medical
18 systems have proven and would continue to prove as
19 one to be a dynamic partner for our company and
20 companies like ours and our community to be able
21 to address our health care needs.

22 I believe that local management is
23 critical and essential. I believe that's one of
24 the most substantial and significant benefits to
25 the program. I believe it ensures a robust

1 presence of health care services in our community
2 with known partners.

3 It positions our health system to come
4 together with our community and our employers in
5 our community to develop effective health care
6 strategies to make a difference in the lives of
7 the folks in our community.

8 As I mentioned, we've had the
9 opportunity to -- wrapping up. We've had the
10 opportunity to be able to experience it firsthand.
11 We believe it can be even better.

12 We believe that this merger positions
13 our company and our community to be more effective
14 in attacking health care today. And make no
15 mistake about it. The challenge will be great.

16 Systems across the country, all across
17 America are facing the challenge of rising costs
18 in health care management. I believe that this
19 system, that this merger would provide us a very
20 well-equipped partner to be able to successfully
21 attack and win that battle.

22 DIRECTOR OCKERMAN: Thank you, Mr.
23 Stollings. And one thing I should mention. If
24 anyone has a written statement they would like to
25 submit as part of the record, please hand that to

1 us or email it to us. We'll be happy to have that
2 entered. And we'll bring you back up after Mr. --

3 MIKE STOLLINGS: That was good. Thank
4 you for your time and your consideration.

5 DIRECTOR OCKERMAN: Thank you.

6 COMMISSIONER DREYZEHNER: Thank you.

7 DIRECTOR OCKERMAN: Helen Scott.

8 HELEN SCOTT: Hello. I'm Helen Scott.
9 I'm the Executive Director of Healing Hands Health
10 Center here in Bristol. Hello. Thank you for
11 visiting our clinic not long ago.

12 I'm here to speak in favor of the
13 merger, and I'm here representing the uninsured of
14 not only the greater Bristol community but also
15 northeast Tennessee and southwest Virginia. We
16 expanded last year to help the uninsured.

17 So Healing Hands is a charitable health
18 clinic. We have provided about 70,000 patient
19 visits to the uninsured, and we've provided about
20 \$25 million worth of free medications, which
21 everybody knows how expensive that is.

22 Let's see, we provide medical, dental,
23 chiropractic, eye care, counseling. And dental
24 has really been the greatest need, and we have
25 done a lot to increase help for dental patients,

1 the uninsured dental patients.

2 We have tremendous partnerships. ETSU
3 Dental Hygiene School has partnered with us for 15
4 years. The University of Tennessee Dental School
5 in Memphis sends their dental students up here to
6 rotate. Four come at a time.

7 But our greatest partnership has been
8 with Wellmont. We have been a partner with
9 Wellmont since our beginning, so that's 19 years,
10 Bristol Regional Medical Center in particular, so
11 we would not be as far as we are without the
12 hospital system.

13 So we're in favor of the merger, several
14 reasons. We think it will lower costs to
15 consumers and provide high quality care, and also
16 it will just keep -- we will not have an
17 out-of-market acquisition. And that's an area
18 that we are especially interested in because
19 locally, we feel like having a local entity
20 support Healing Hands is very, very important.

21 If an out-of-market acquisition
22 happened, I don't know where Healing Hands would
23 be. I frankly don't feel that we would get as
24 much support, so that's one area I wanted to
25 stress.

1 We help people every day who call and
2 say they can't afford the insurance that they have
3 purchased. They didn't understand what a \$7500
4 deductible was or didn't really understand what
5 they were getting into.

6 So, you know, we just help the uninsured
7 either get insurance that they can afford or try
8 to help them to come to Healing Hands and get the
9 care that they need.

10 So we recently invited Tony Keck from
11 Mountain States and Todd Norris from Wellmont to
12 come together and tour, and they came to see our
13 new building. We moved into a 9600-square foot
14 building a year ago, and they both expressed an
15 interest in wanting to work together to help
16 Healing Hands.

17 So we just feel the merger would be
18 better for our community and better for Healing
19 Hands Health Center. Thank you.

20 COMMISSIONER DREYZEHNER: Thank you.

21 DIRECTOR OCKERMAN: Thank you. Karen
22 Raines? You're passing? Okay. Thank you, Ms.
23 Raines. Dan Pohlgeers.

24 DAN POHLGEERS: Thank you once again,
25 Commissioner, Dr. Dreyzehner, for giving me the

1 opportunity to speak. My name is Dan Pohlgeers,
2 P-O-H-L-G-E-E-R-S.

3 I am an independent medical practice
4 consultant. My company is called Sunesis Medical.
5 I do work for several practices here in northeast
6 Tennessee, but I'm not representing any of those
7 practices this evening.

8 As you know, the Tennessee Department of
9 Health is charged with ensuring that all COPA
10 applications demonstrate clear and convincing
11 evidence of benefits including but not limited to
12 improvements in population health, access to
13 services, economic advantages to the public, and
14 that the inherent reduction in competition to
15 provide health care and related services will not
16 negatively impact the region or state.

17 Now that's a heavy burden. And to date,
18 I believe you all are doing a very good job making
19 sure that that occurs.

20 This is also complicated by multiple
21 factions presenting conflicting arguments that the
22 proposed merger will or will not meet this
23 requirement.

24 In a staff submission to the Southwest
25 Virginia Health Authority, the FTC has concluded

1 that this proposed merger does not meet that
2 requirement. It has concluded that the premise
3 that one or both of the health systems would have
4 to be sold to survive is not accurate.

5 Their analysis documented the financial
6 soundness of both health systems and their ability
7 to continue to prosper independently, which would
8 avoid losing local control. The FTC analysis also
9 notes that Mountain States and Wellmont admit that
10 they would have an 88.4 percent share of total
11 discharges in their 90 percent service area.

12 That's a little bit smaller than the
13 footprint that is on some of the documentation
14 that's been presented to the state. That includes
15 the zip codes that comprise the area where 90
16 percent of the patients reside and go to these two
17 hospitals.

18 And a 93 percent share of total
19 discharges in their 75 percent service area.
20 Again, even a smaller area than was originally
21 designed in the COPA application.

22 To the contrary, Wellmont Health Systems
23 and Mountain States Health Alliance -- aka Ballad
24 -- have maintained that the advantages of the
25 merger far outweigh any disadvantages. They

1 propose that through cost controls, improved
2 efficiencies, and a reduction in duplication of
3 services, that costs will stabilize while
4 maintaining or increasing quality, innovation, and
5 access.

6 Hospital monopolies under state action
7 immunity of anti-trust laws pose substantial risks
8 to a community unless the public is protected by
9 comprehensive, vigorously monitored and enforced
10 rules of conduct and performance.

11 As stated earlier, to date the
12 Department of Health has been diligent in its
13 preparation of rules and collection of
14 information. The Tennessee Advisory Group did an
15 excellent job of outlining measures that need to
16 be included in the final COPA.

17 If the DOH disagrees with the FTC
18 assessment and approves the merger but without the
19 necessary, comprehensive, and effective oversight,
20 there is a very real risk of doing substantial
21 harm to access, quality, and affordability of
22 care. The DOH should resist any attempt by Ballad
23 to change the rules or limit the oversight.

24 The FTC detailed analysis concluded that
25 the residents of northeast Tennessee are risking

1 much if this merger is approved. If it is
2 approved, Tennessee legislature and the agencies
3 involved in monitoring must be and remain diligent
4 and effective in monitoring and ensuring the
5 benefits actually outweigh any resulting harm to
6 the people who live and work here in our area.

7 Competition improves quality, reduces
8 cost, and spurs innovation in all industries
9 including health care. The State of Tennessee
10 should take steps to ensure that these competitive
11 advantages continue under a state action immunity
12 for anti-trust.

13 A CON-free zone or strong restrictions
14 on Ballad's ability to stop competition is
15 essential if the merger is approved. Otherwise,
16 the power of the monopoly is broadened to control
17 the entire spectrum of health care delivery, not
18 just hospital services.

19 Innovations that reduce costs and/or
20 enhances quality will be blocked. Access to
21 improvements in health care will be restricted
22 unless patients are willing to travel outside of
23 the service area.

24 Thank you very much, and thank you for
25 the additional time. I think I got it right on

1 the money.

2 COMMISSIONER DREYZEHNER: Thank you very
3 much.

4 DAN POHLGEERS: Thank you.

5 DIRECTOR OCKERMAN: Greg Neal.

6 GREG NEAL: Good evening, Dr.
7 Dreyzehner. Thank you for being here. Certainly
8 appreciate the diligence that the Commission is,
9 that the Department is applying toward this very
10 important, complex decision.

11 My name is Greg Neal. I'm the President
12 of Bristol Regional Medical Center. As the City
13 of Bristol's largest employer, Bristol Regional
14 Medical Center takes seriously the trust that the
15 community places in us to deliver on our mission:
16 to provide superior health care with compassion.

17 We share with leaders from our cities,
18 our civic business and service organizations
19 across the communities that we serve a vision for
20 a healthier tomorrow in east Tennessee and
21 southwest Virginia.

22 But we understand that on our own, we're
23 incapable of making that vision a reality. It
24 requires an approach that benefits from a synergy
25 of collaboration with others like-minded

1 organizations across the region.

2 So we're real proud of the many
3 initiatives we have with partnering organizations
4 designed to develop and implement innovative
5 solutions for the betterment of the community.
6 Solutions that not only ensure access to high
7 quality services that expedite recovery from
8 illness and disease, but ones that actually
9 prevent those encounters from occurring in the
10 first place.

11 One example, just one is our
12 collaboration right here locally with the school
13 systems in Bristol from both sides of the state
14 line. We call it the Power of Health, and it's a
15 program that's designed to work collaboratively
16 with our school systems to encourage healthy
17 living in our students and our families and
18 provide preventive screening exams while also
19 investing financially in the physical education
20 programs in the two school systems.

21 We've seen some great benefits from
22 that. But our experience in these kinds of
23 efforts informs us that the needs are vast and far
24 exceed the ability of us to meet them on our own.

25 The magnitude of the cultural and

1 behavioral change that's required absolutely
2 requires unprecedented efforts with far more
3 education and interventions than we have the
4 capacity to make today. And that's another reason
5 our proposed merger with Mountain States Health
6 Alliance is such an attractive option.

7 By combining our resources to serve our
8 region most effectively, we will have a tremendous
9 impact on the health of our region, leading people
10 to live healthier and more productive lives.

11 From my perspective at Bristol Regional,
12 I see every day the unfortunate effect of
13 unhealthy lifestyles in the area we serve. It
14 contributes to an array of conditions that require
15 medical attention for people in the community that
16 could potentially be averted.

17 And that's why I'm really excited by the
18 commitment that our two organizations have made to
19 obligate \$75 million in the first 10 years to
20 population health initiatives.

21 We also have the opportunity to
22 favorably impact our area with the commitment to
23 invest at least \$140 million over that first 10
24 years alone for behavioral health needs in our
25 region, for items including community-based mental

1 health services, residential and outpatient
2 recovery programs, and tobacco and substance abuse
3 prevention programs.

4 Like other emergency departments in our
5 region, Bristol Regional Medical Center is
6 routinely holding patients for extensive periods
7 of times, sometimes days, even weeks at a time who
8 we're not equipped to help but have nowhere --
9 they have nowhere else to turn while waiting
10 appropriate placement in mental health services.

11 That's obviously not ideal for the
12 patient, patients who would benefit from receiving
13 comprehensive care intervention as early as
14 possible, and it's not good for our resources to
15 be otherwise unavailable to folks needing access
16 to the services that we do have the expertise to
17 provide.

18 People in our community who have become
19 addicted to drugs often experience consequences to
20 their health and require attention by our medical
21 providers. With additional resources to address
22 addiction, Wellmont and Mountain States will be
23 able to help these individuals recover and proceed
24 with leading a better quality of life.

25 This will not only help them

1 individually but will reap benefits for their
2 families and our communities. So these are just
3 two broad areas where we can strengthen our
4 region's health care as one organization, but we
5 could go on.

6 There are many, many other ways we can
7 make a difference in people's lives, differences
8 that can be accomplished with a Certificate of
9 Public Advantage that would enable us to proceed
10 with our merger, and I respectfully encourage you
11 to favorably consider the application.

12 Thank you for your time.

13 COMMISSIONER DREYZEHNER: Thank you.

14 DIRECTOR OCKERMAN: Thank you, Mr. Neal.
15 Is there anyone who hasn't signed up who would
16 like to speak? No? Mr. Macione, if you'd like to
17 come back. I'll give you another few minutes.

18 JOE MACIONE: Thank you for
19 accommodating someone who speaks slowly. I failed
20 to mention that during my two years as Chairman of
21 the Board of Wellmont, we thought we could work
22 corroboratively with Mountain States on some
23 projects. So we met the two boards over several
24 months, realized there were many projects that we
25 could enhance the welfare and the health care of

1 this area with.

2 One of them in particular still sticks
3 out in my mind, and that is a burn center.

4 There's not a burn center. We have one of the
5 largest chemical companies in the United States
6 located here.

7 The reason there's not a burn center,
8 it's not a profit center, as you know, and I don't
9 think either system can afford to carry a burn
10 center. We didn't think so at the time, but we
11 thought collectively that that would be a
12 possibility.

13 There are many other areas that combined
14 we can address health care needs more efficiently
15 in this area. If you would permit me, I'll skip
16 back down to the FTC report.

17 COMMISSIONER DREYZEHNER: Yes, sir.

18 JOE MACIONE: Which fascinated me. In
19 that report, they state that roughly 70 percent of
20 the market is covered by these two systems, 71
21 percent if they're combined. The thing that they
22 don't mention is we have individual communities.

23 In Bristol, Wellmont dominates. In
24 Johnson City, Mountain States dominates. And what
25 they say in the report is, well, if one system

1 goes down, all you have to do -- patients will
2 ship to the other system.

3 You probably read it, and you probably
4 realized they say that. That's very difficult for
5 somebody my age and older, traveling great
6 distances if you have an extended illness. It
7 makes no sense.

8 I think they have in their mind,
9 Washington, D.C. where they're located. I think
10 this is bureaucracy at its finest in this report.
11 I think they started out with the intent of
12 denying the merger, and they crafted a report that
13 took over a year, according to them, to prevent
14 the merger.

15 That's the same organization that the
16 same day that the headline was here, there was
17 additional headlines throughout the United States.
18 One of them is, four states will have one Obama
19 care insurer. That's the Affordable Health Care
20 Act.

21 That's not ideal, but it's more than
22 that. If you read the article, it could be up to
23 nine. Mississippi, 80 percent will have one
24 insurer. They didn't count that. Florida, 73
25 percent will have one insurer. They didn't count

1 that.

2 So what the report indicates, because
3 Anthem is the attachment that they based it on
4 appears to be, and Anthem says it will reduce
5 competition and make our premiums go up.

6 Well, I don't think they really care
7 about the premiums. If you read it carefully, it
8 seems they care about the bottom line of Anthem, a
9 public company. In fact, they're not really too
10 concerned about increasing premiums when in
11 Indiana next year, they project Anthem will
12 increase premiums 28.3 percent.

13 And in Virginia, where they addressed
14 their letter, Anthem will increase premiums next
15 year 15.8 percent. So I can't see that they're
16 too concerned about premium increases if that's
17 happening inside their system.

18 And in the same day, Bill Clinton
19 slammed Obama Care. The last person that you
20 would ever think would say the people out there
21 busting it sometimes 60 hours a week wind up with
22 their premiums doubled and their coverage cut in
23 half. It's the craziest thing in the world.

24 Well, it's not nearly as crazy as the
25 FTC telling us what's good for us from a health

1 care standpoint, from a community standpoint.
2 Helen Scott said it well. These systems, if they
3 remain locally owned, will support causes in our
4 communities, and our health care will be better
5 because they understand the needs of the
6 community.

7 If this merger does not go through, I
8 have every indication, every belief that we're
9 going to have outsiders owning the system. And if
10 the headquarters move somewhere else, the
11 contribution, community support move with them.
12 That's much crazier than Bill Clinton's statement.

13 Thank you very much. I appreciate your
14 indulgence with me.

15 DIRECTOR OCKERMAN: Thank you very much,
16 sir. Appreciate it. Anyone else like to speak?
17 No? Dr. Dreyzehner?

18 COMMISSIONER DREYZEHNER: Anyone like a
19 few more minutes before we close? Going once.

20 DIRECTOR OCKERMAN: Mr. Stollings?
21 You're welcome.

22 MIKE STOLLINGS: Thank you. Appreciate
23 it.

24 COMMISSIONER DREYZEHNER: Well, let me
25 thank everybody for your comments. Very helpful.

1 I also want to thank my associates, Jeff Ockerman
2 and Allison Rajaratnam. That's a make good.

3 So once again, thank you for being here.
4 And there will be, as you know, we've now been in
5 several places: in Blountville, in Kingsport, in
6 Nashville, today here in Bristol. There will be
7 one more opportunity for public comment shortly.

8 You can continue to make comments to us
9 on-line. And again, we encourage active public
10 participation. We appreciate all the comments.

11 We take your input very seriously. It's
12 important. It's important as a community. It's
13 important to the State.

14 Again, we're plowing new ground and
15 setting precedent here, and the Tri-Cities of
16 Tennessee and Virginia are at the center of it.
17 And I want to thank you again for your
18 participation here tonight, and we are closed, and
19 we're off record. Thank you.

20 THEREUPON, the meeting was concluded at
21 6:23 p.m.

REPORTER'S CERTIFICATION

STATE OF TENNESSEE)
COUNTY OF SULLIVAN)

I, Terry L. Kozakevich, LCR #394, Licensed Court Reporter, Registered Professional Reporter, **(and notary public)**, in and for the State of Tennessee, do hereby certify that the above meeting was reported by me and that the foregoing **34** 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 Reporting 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 6th day of October, 2016.

Terry L. Kozakevich, LCR #394
Registered Professional Reporter
Expiration Date 9/30/2017
Notary Public Commission Expires 7/24/18