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April 7, 2017

**VIA EMAIL**

Deputy Attorney General Janet M. Kleinfelter  
Public Interest Division  
Office of the Attorney General and Reporter  
PO Box 20207  
Nashville, TN 37202-0207

**Re: Expert reports in the matter of the proposed merger of Wellmont Health System and Mountain States Health Alliance**

Dear Janet:

Mountain States Health Alliance and Wellmont Health System have obtained reports from the following experts in support of their Application for a Certificate of Public Advantage (“COPA”):

- **The Advisory Board**, through its principal Dennis Weaver, MD, MBA, Executive Vice President and Chief Medical Officer;
- **Healthy Communities Institute**, through its principal Deryk Van Brunt, DrPH, Chief Executive Officer; and
- **Compass Lexecon**, through its principal Meg Guerin-Calvert, Senior Managing Director, President, Center for Healthcare Economics and Policy.

The Advisory Board is a global health care consulting firm with extensive experience evaluating health system transformation opportunities. The Advisory Board was asked to evaluate the likelihood that the Parties’ merged integrated delivery system will be able to navigate the “narrow corridor” of successfully transitioning toward population health management and risk-based contracting. Based on its review, the Advisory Board states it is confident the merged entity will have the requisite organization and governance, care delivery and management, provider network, health IT, and other building blocks for

success in pursuing population health management and achieving optimal risk-based contracting performance. The Advisory Board further concludes the merger is critical to achieving the scale needed to pursue population health management in a financially sustainable manner and the only way to fund necessary investments and ensure collective stakeholder participation for population health management and risk-based contracting.

Healthy Communities Institute (“HCI”) is an award-winning population health advisory company that has developed methods to measure community health and demonstrate accountability in improving health status over time. HCI was asked to assess the capacity of Ballad Health to develop and implement an effective population health strategy to improve community health in the region over the next ten years. Based on its review of the Parties’ current capacity and expertise, the level of stakeholder engagement, existing programs, the potential for new partnerships, and the Parties’ commitments of proposed resources, HCI concludes that Ballad Health’s population health improvement efforts can successfully move the needle on population health.

Compass Lexecon is ranked as one of the leading antitrust economics firms in the world by the *Global Competition Review*. Compass Lexecon was asked to review the Advisory Board and HCI reports, along with the FTI report on efficiencies, and assess whether the likely benefits of the proposed merger outweigh any disadvantages of displacing competition. Compass Lexecon concludes, based on its economics expertise, review of the facts, relevant research, the Parties’ commitments, that it is clear that the benefits of the Ballad Health proposal significantly outweigh the potential disadvantages attributable to any reduction in competition likely to result from the proposed merger. Compass Lexecon also concludes there is no alternative arrangement of which it is aware that would be less restrictive to competition while still achieving the same benefits or that offers a more favorable balance of benefits over disadvantages, than the proposed merger.

Included with this letter are the Advisory Board Report and the HCI Report. The Parties expect to file the Compass Lexecon Report early next week. If it would be helpful, the Parties would be happy to arrange a meeting for the State with any of the principal authors of these reports.

The Parties believe these reports will assist you and the Commissioner of Health in assessing the Parties’ operational, economic, and strategic ability under the proposed merger plan to achieve the commitments contained in the COPA Application and will help demonstrate by clear and convincing evidence that the likely benefits resulting from the proposed merger outweigh any disadvantages attributable to a reduction in competition that may result from the merger.

Yours very truly,



Claire Cowart Haltom

Enclosure

cc: Robert E. Cooper, Jr.