

STATE OF TENNESSEE

Office of the Attorney General



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December 22, 2017

BY EMAIL TRANSMISSION

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Claire Cowart Holtom
Baker, Donelson, Bearman, Caldwell &
Berkowitz, PC
Baker Donelson Center, Suite 800
211 Commerce Street
Nashville, TN 37201

RE: Request for Extension of Deadline for Agreement on Baseline Spending under the Terms of Certification Governing the Certificate of Public Advantage Issued to Ballad Health (the "TOC")

Dear Bob and Claire:

Commissioner Dreyzehner and General Slatery are in receipt of the request by Mountain State Health Alliance and Wellmont Health System (the Applicants) for an extension of the December 18, 2017 deadline for the establishment of the baseline spending amounts under the TOC to January 18, 2018.

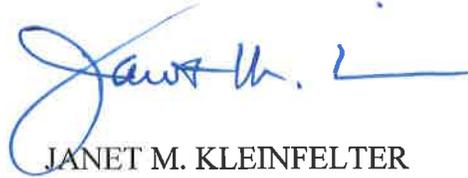
While the State is disappointed that the baseline spending amounts were not established within the ninety-day period set forth in the Commissioner's letter of September 19, 2017, the Commissioner and General Slatery have determined that, under the circumstances, such an extension is appropriate and that the request should be granted. Accordingly, Commissioner Dreyzehner and General Slatery hereby approve your request to extend the deadline for establishment of the baseline spending amounts to January 18, 2018; however, in order to ensure that this deadline is fully met, this approval is conditioned upon the Applicants' compliance with the enclosed revised work plan.

Please note that while we have previously provided information with respect to the States' availability during the period of December 28 – January 4, pursuant to this revised work plan, conference calls are not scheduled to occur until after the Applicants have submitted previously

requested information, as well as any other information the Applicants want the States to consider, and the States have had sufficient opportunity to review that information.

We continue to look forward to working together with the Applicants to establish the baseline spending amounts before the January 18 deadline.

Sincerely,



JANET M. KLEINFELTER
Deputy Attorney General

cc: Dr. John J. Dreyzehner, MD, MPH, FACOEM
Marissa J. Levine, MD, MPH, State Health Commissioner
Commonwealth of Virginia

Work Plan to Finalize Baseline Spending

	Task	Deadline	Responsible Parties	Parties to be included on Call (if applicable)
1.	Reconciliation of Wellmont and MSHA Baseline Calculations Discussion (Includes #7.b, 10).	Thursday, December 21st at 4pm ET.	Krutak and Dougan	Ballad: Krutak and Dougan
2.	Written Response to Ken Conner's Request for Additional Information about Woodridge (MSHA).	By Friday, December 22 nd .	Krutak	N/A
3.	Benefit to GSA (#10) – Any additional information the Applicants want the States to consider with respect to this issue.	No later than the close of business on Friday, December 29 th .	WHS/MSHA	See Conference Call in Item 8 below.
4.	Behavioral Health (#11) and Children's Health (#12), including Exclusion/Inclusion of Inpatient Costs - Any additional information the Applicants want the States to consider with respect to this issue.	No later than the close of business on Friday, December 29 th .	WHS/MSHA	See Conference Call in Item 8 below.
5.	Written Response to Item #2 in 12/16/17 Email from Ward Nelson, as well as any additional information the Applicants want the States to consider with respect to the net revenue issue.	No later than the close of business on Thursday, December 28 th .	Haltom to Work with MSHA/WHS to Prepare Response	See Conference Call in Item 7 below.
6.	Written Proposal for Mechanism to Amend Baseline for Pay Equalization after Year One (#6)	No later than the close of business on Thursday, December 28 th .	Nelson/Conner	N/A
7.	Conference Call to resolve the Net Revenue issues (# 2.b, 7.a; 7.c; 7.d).	Wednesday, January 3rd; time to be agreed upon.	Haltom to Schedule Call	Ballad: Eichorn, Dougan, Krutak, Miller, Belisle, Haltom, Cowart TN: Conner, Nelson, Ockerman, Kleinfelter VA: Bodin, Melton

	Task	Deadline	Responsible Parties	Parties to be included on Call (if applicable)
8.	Conference Call to discuss Benefit to GSA (#10), Behavioral Health (#11) and Children's Health (#12), including Exclusion/Inclusion of Inpatient Costs.	Thursday, January 4th; time to be agreed upon.	Haltom to Schedule Call	Ballad: Eichorn, Dougan, Krutak, Miller, Belisle, Haltom TN: Conner, Nelson, Ockerman VA: Bodin, Melton
9.	Information and Clean-Up Call to Resolve Any Remaining Issues Related to #2.a; 2.c; 8; 9; 13.b; 13.c) – Any additional information the parties want the States to consider with respect to these remaining issues.	No later than the close of business on Tuesday, January 2nd. Conference call to take place Friday, January 5th; time to be agreed upon.	Haltom to Schedule Call	Ballad: Eichorn, Dougan, Krutak, Miller, Belisle, Haltom TN: Conner, Nelson, Ockerman VA: Bodin, Melton
10.	Finalize Baseline Spending Guidelines Document Based on Discussions	By January 8th	Nelson, Conner, Haltom	N/A
11.	Submission of Baseline Spending Calculations with, as applicable, any supporting documentation. In cases where net revenue is an issue, the parties should prepare separate revenue and expense files for submission, with the expense files being submitted once guidelines for non-revenue components are agreed upon.	Submitted on a rolling basis, generally within 72 hours of any agreement on the guidelines for a particular Component, with all calculations due by January 11th.	Meetings and/or conference calls to be scheduled periodically to review Baseline Spending calculations.	
12.	Finalize Baseline Spending Calculations Consistent with the Finalized Guidelines.	By January 15th	Krutak, Dougan, Conner	N/A