

**BALLAD HEALTH CONDITIONAL WAIVER
CROSS-CREDENTIALING OF EMPLOYED PHYSICIANS**

WHEREAS, the **Tennessee Department of Health** (the “Department”), **Ballad Health**, a Tennessee nonprofit public benefit corporation (“Ballad”) and the common parent entity of Applicants for a Certificate of Public Advantage (the “COPA”) **Mountain States Health Alliance**, a Tennessee nonprofit public benefit corporation (“Mountain States”), and **Wellmont Health System**, a Tennessee nonprofit public benefit corporation (“Wellmont”) entered into that certain Terms of Certification (“TOC”) dated January 31, 2018, governing the COPA;

WHEREAS, capitalized terms not defined herein shall have the meaning set forth in the TOC;

WHEREAS, the Department issued the COPA to Ballad as of January 31, 2018;

WHEREAS, Section 5.05(e) of the TOC requires that “(n)o more than thirty-five percent (35%) of the physicians practicing in any specialty at any COPA Hospital that is not a Rural Hospital at any time may be Employed Physicians” (the “35% limitation”);

WHEREAS, said Section 5.05(e) further states that after the issuance of the COPA, Ballad may apply to the Department for a waiver of this 35% limitation for a specific specialty; and

WHEREAS on April 13, 2018 Ballad sent the Department a written request for a waiver of the 35% limitation for the cross-credentialing at all Ballad hospitals of Employed Physicians (the “Request”), as Ballad’s credentialing of its Employed Physicians at Ballad hospitals where these physicians had not previously been credentialed would exceed the 35% limitation.

NOW, THEREFORE, after review of the Request and the supplemental information provided, pursuant to Sections 5.05(e) and 9.06 of the TOC, the Department hereby grants the Request upon the following terms and conditions:

(a) This waiver shall be effective as of the date of its execution through February 28, 2020 (the “Waiver Period”);

(b) This waiver is based on the completeness and accuracy of all relevant information provided by Ballad to the Department, and the Department may revise or withdraw the waiver if it determines that Ballad failed to provide complete and accurate information;

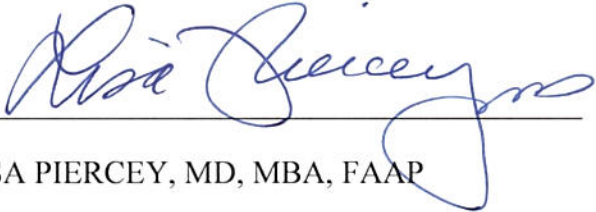
(c) During the Waiver Period, Ballad shall (i) advise Independent Physicians of the terms of this cross-credentialing; (ii) communicate as needed with Independent Physicians practicing in key specialties to encourage their participation in meeting community needs; and (iii) not discriminate against Independent Physicians, nor favor Employed Physicians, in opportunities to provide call or other coverages needed;

(d) If any cross-credentialed physician intends to establish a practice and/or local office within 10 miles of the cross-credentialed hospital during the Waiver Period, Ballad shall provide the Department prior notice thereof with supporting explanation, including why this action will not in any meaningful way be detrimental to Independent Physicians practicing in that area; and

(e) By April 1, 2020, Ballard shall provide the Department a detailed report of the impact on Independent Physicians of this waiver, which shall include without limitation the following: (i) the names and specialty of each Employed Physician and Independent Physician who was cross-credentialed at a non-rural COPA Hospital during the Waiver Period, and the allocation of their 1.0 FTE among each applicable COPA Hospital during the Waiver Period; (ii) the name and specialty of each Employed Physician whose employment with Ballard terminated during the Waiver Period; and (iii) any additional information the Department requests.

The Department will review and assess such report. Within 30 days of its completion of the review, the Department will inform Ballard of its decision to extend, modify or terminate this waiver.

ISSUED this 5th day of March, 2019.

By: 
LISA PIERCEY, MD, MBA, FAAP
Commissioner, Tennessee Department of Health