

March 5, 2019

Mr. Alan Levine  
Chairman, CEO and President  
Ballad Health  
400 N. State of Franklin Road  
Johnson City, TN 37604

Re: Approval of Ballad's Behavioral Health, Children's Health, and Population Health Plans


Mr. Levine,

Thank you for your letter dated November 2, 2018, in which you responded to the department's requests for modifications to the Behavioral Health, Children's Health, Rural Health, and Population Health plans, submitted to the Tennessee Department of Health on August 24, 2018. While the department has received and is in the process of reviewing Ballad Health's newly revised Rural Health Plan (resubmitted January 31, 2019) the department would like to proceed with in providing its written approval of the other three plans. The Behavioral Health, Children's Health, and Population Health Plans are approved subject to the following conditions:

- 1) The issue of "Offsetting Revenue Against Expenses," as discussed in the Department's September 20, 2018 and Ballad's November 2, 2018 letters, is one that still needs to be resolved with the COPA Monitor and the State.
- 2) The department staff is in the process of addressing outstanding concerns regarding Ballad's approach to "Recruiting Physician Specialists." Specifically, the Department is engaged in ongoing discussions with Ballad's Provider Needs Assessment experts to better understand Ballad's plans for recruiting physician specialists and the proposed apportionment of non-rural specialists' contribution to rural health needs. Additionally, work on the comprehensive Provider Needs Assessment is still in progress and has an expected completion date of Spring 2019. The Department will review the Provider Needs Assessment along with Ballad's recently resubmitted Rural Health Plan (dated January 31, 2019) and will send comments on or approve that plan after all of the expected documents have been reviewed.
- 3) Ballad has and will only present to the department "Staffing and Recruitment" expenditures in Ballad's investment schedules that are associated with new providers.

- 4) By approving the Children's Health Plan, the Department is not specifically approving anything related to Ballad's NICU consolidation proposal.
- 5) Ballad Health must submit, prior to the beginning of each Plan year (i.e., Ballad Health's fiscal year), a revised Implementation Roadmap for each plan setting forth a schedule of quarterly milestones and data metrics for the upcoming year.

Sincerely,

  
Jeff Ockerman  
Director | Division of Health Planning

cc: Lisa Piercey, MD, MBA, FAAP  
Commissioner  
Tennessee Department of Health

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