

**EMPLOYED PHYSICIAN WAIVER
JOHNSTON MEMORIAL HOSPITAL**

WHEREAS, the Tennessee Department of Health (“Department”), Ballad Health, a Tennessee nonprofit public benefit corporation (“Ballad”) and the common parent entity of Applicants for a Certificate of Public Advantage (“COPA”) Mountain State 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; and

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

WHEREAS, the Department approved the application of Mountain States and Wellmont for a COPA on September 19, 2017 (the “Approval Date”) and issued the COPA on January 31, 2018; and

WHEREAS, Section 5.05(e) of the TOC requires that “(n)o more than thirty-five (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 “355 limitation”);

WHEREAS, said Section 5.05(e) further states that the Department agrees to waive this requirement for specific specialties upon issuance of the COPA provided that (i) Ballad Mountain States, and Wellmont (the “COPA Parties”) jointly provide to the Department a list of each specialty in which the COPA Parties collectively exceeded the 35% limitation as of the Approval Date of the TOC, and (ii) there have been no additional hires in any such specialty since the Approval Date; and

WHEREAS, the COPA Parties provided to the Department the list of each specialty in which the COPA Parties collectively exceeded the 35% limitation as of the Approval Date and confirmed that they had no additional hires in these specialties since the Approval Date; and

WHEREAS, the list provided by the COPA Parties specifically identified the specialty of cardiovascular disease, including interventional cardiologists, and 2.6 FTE at Johnston Memorial Hospital; and

WHEREAS, on January 31, 2018, the Department executed and delivered a Waiver of the 35% limitation for each specialty identified by the COPA Parties, and the number of Employed Physicians for each such specialty (“Employed Physician Waiver”); and

WHEREAS, on May 17, 2019, Ballad sent the Department a written notification that one of the interventional cardiologists employed at Johnston Memorial Hospital will be moving out of the are on July 5, 2019, and the other interventional cardiologist will be retiring in July, 2020, and requesting a continuation of the waiver of the 35% limitation for cardiovascular disease at

Johnston Memorial Hospital such that Ballad may proceed with recruitment efforts to replace these interventional cardiologists; and

NOW, THEREFORE, after review of the Request and the information provided, pursuant to Sections 5.5(e) and 9.06 of the TOC, the Department hereby determines that Ballad's efforts to replace the two departing interventional cardiologists at Johnston Memorial Hospital does not exceed the provisions of the previously executed Waiver of the 35% limitation and, therefore, such Waiver shall continue to apply to the replacement interventional cardiologists.

ISSUED this 31st day of MAY, 2019.

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