



STATE OF TENNESSEE
DEPARTMENT OF HEALTH

JOHN J. DREYZEHNER, MD, MPH
COMMISSIONER

BILL HASLAM
GOVERNOR

January 15, 2019

VIA FEDEX AND EMAIL

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

RE: Ballad Health NICU Consolidation Proposal
Request for Additional Information

Dear Mr. Levine:

Thank you for the information you provided to the Department in your letter dated December 28, 2018. The information was helpful in clarifying a number of issues, but it also generated some additional questions. Below are our original questions with the additional bulleted information requests that correspond to each of them as well as a few other requests at the end of the letter. Once these questions are answered to the Department's satisfaction, the 90 day approval period will begin.

1. How Ballad will manage high-risk pregnancies occurring in a non-NICU facility (for mother and child), for both pre- and post-delivery (continuum of care), particularly as it pertains to Holston Valley Medical Center (HVMC) were there to be a transition down to a Level I nursery¹;
 - Please provide data on HVMC staffing levels for Post-Partum, Labor and Delivery, Nursery, and NICU as it was on January 31, 2018, December 31, 2018, and the planned staffing levels in each category post-consolidation.
 - Please provide a breakdown of admissions and patient days for the past two fiscal years for the following categories:

¹ See 11/12 letter, page 4, last 3 bullets 5th Floor, Andrew Johnson Tower
710 James Robertson Parkway * Nashville, TN 37243
(615) 741-3111 * www.tn.gov/health

- The level of care (e.g., Level 3, Level 2) required for the roughly 100 babies expected to be transferred;
 - Babies born at HVMC and each hospital's transfers to HVMC;
 - NAS babies previously treated in the HVMC NICU; and
 - >36 week babies previously treated in the HVMC NICU.
2. Estimated timeline for elements and completion of the proposed transitions, including expansion of telemedicine technology;
- How will Ballad Health care for babies >36 weeks gestation requiring more attention during the first 24 hours following birth at HVMC?
 - Please provide the daily census in the NICU at HVMC and JCMC for each day during the calendar year 2018.
3. Potential impact on deliveries at 32-35 weeks gestation, infants treated for neonatal abstinence syndrome, and other mother-infant diads who previously would have appropriately delivered and been treated at HVMC to include the number of affected families, travel distance, and length of stay;
- When does Ballad intend to apply provision of NAS treatment at the local delivery hospitals, as described in the Abingdon, VA approach, at HVMC at other facilities? Please provide deployment details, including a timeline.
 - Please provide data on the percentage of NAS babies treated at the Abingdon, VA hospital before and after the nursery care model was implemented.
4. Plan for evaluating the impact of the proposed NICU merger to include regular ongoing evaluation of transfer metrics, health outcomes of mothers and infants delivering at each of Ballad's facilities, travel distance of affected families and ongoing patient, staff and community satisfaction and input;

Thank you for providing a list of metrics that will be tracked on transports and for describing how input will be collected on family, staff, and community satisfaction. However, some of the information we requested lacks sufficient detail.

- Please confirm how travel distance of affected families will be tracked.
- Please provide a list of the metrics on each of the following that will be monitored in order to effectively evaluate the impact of proposed changes:
 - health outcomes of mothers and infants delivering at each of Ballad's facilities

- ongoing patient, staff, and community satisfaction
5. Rationale for not including actions in the NICU and Trauma Center proposals in any of the current drafts of the Health Services Plans that would be impacted by them if implemented;
 - According to the April 2018 SEC filing regarding Ballad's bond refinancing, NICU consolidation decisions had been made by Ballad prior to submission of Ballad's Children's Health Plan and prior to the November 12, 2019 notification letter to the Department. Please address the delay in notifying the Department.
 - Note that the Department plans to send an independent clinical evaluation team for on-site review with staff and clinicians impacted by the proposed NICU and trauma centers changes and consolidations to assist the Department in evaluation and validation of the proposed plans..
 6. Management of infants born at >36 weeks gestation needing a higher level of care at the time of delivery but expected to stabilize in two to 24 hours;
 - Please provide a timeline for implementation of the Tennessee Perinatal Care System Guidelines for issues related to maternal and fetal stabilization and transport.
 7. Estimated number of additional incoming transfers of infants and mothers to Niswonger Children's Hospital and assessment of Niswonger Children's Hospital facility and staff capacity, to include the numbers and sizes of patient care rooms;
 - Please confirm that all NICU and special care rooms at this hospital comply with National Standards.
 8. Identification and management of opportunities to transfer convalescing and maturing infants no longer needing specialist services to nurseries closer to home;
 - It is stated in your letter that "Ballad will include convalescence in its overall plan for NAS care and encourage more providers to transfer NAS babies back home once it is safe to do so." Has it ever been the policy of Ballad Health or one of its predecessor organizations to transfer NAS babies back to a local hospital? Please detail Ballad's experience in this practice, to include:
 - The percentage of NAS babies born at HVMC or JCMC who were transferred to a lower level facility;
 - The average length of stay for NAS babies born at HVMC or JCMC, and the average length of stay for those babies at the receiving facility.
 9. Plan to minimize transportation barriers for families of NICU babies, particularly those with extended stays;

- Please provide us with the Ballad Health Foundation's transportation grant program details.
10. Impact on Ballad staff (e.g., re-locations, layoffs, etc.) and existing contractual arrangements with providers;
- No additional information is needed.
11. The monthly diversion numbers for HVMC 32-35 week gestation deliveries to Niswonger in the two fiscal years prior to the merger, and for the period after the merger through today;
- No additional information is needed.
12. Clarification of changes in transfer protocols and other changes for newborns previously transferred to HVMC;
- No additional information is needed.
13. The financial analysis for the project, including the monetary investment to be made (e.g., for telemedicine, patient transportation, other) and how the investment relates to the financial commitments under the Terms of Certification;
- Of the annual \$1.5 million net operating loss at the HVMC NICU:
 - How much would be offset by reducing the NICU to level I?
 - How much would be offset by reducing the NICU to Level II?
 - What are the anticipated reimbursement impacts for services provided as a Level I NICU or Level II NICU instead of a Level III NICU? Please specify the services that have been identified as having different reimbursement rates by NICU Level that have been included in your estimate.
 - If HVMC downgraded to a Level II NICU, would Ballad change the staffing? If so, what types of specialists would no longer be on staff at the facility (and what would be the total staffing savings)?
14. Consideration of alternative models of service delivery, such as transitioning the HVMC NICU to a Level II instead of Level I.
- Please list the services that are not currently being provided at HVMC that if provided would qualify it to serve as a Level III NICU.
 - Please list the current services at HVMC that could be eliminated and still qualify it to serve as a Level II NICU.

Additionally:

- Please provide the Department with the Newborn Care Model as described in your November 12, 2018 letter.
- According to your December 28, 2018 letter, no babies expired in transport to JCMC. Please provide the Department with a list of the infant deaths pre-transport and post-transport during the last three years for all Ballad hospitals.
- Regarding the proposed establishment of two Pediatric Emergency Departments in the region:
 - Please provide the Department with the financial analysis related to this proposal.
 - Please provide the Department with the clinical analysis and needs assessment related to this proposal.

To the extent that you consider any of the information to be confidential pursuant to Tenn. Code Ann. § 68-11-1310, please identify that information and provide a written explanation as to the application of this confidentiality provision. Additionally, please mark as "confidential" each separate page that you are designating as confidential.

Thank you again for the information provided to date. Please let us know if you need clarification of any of the above.

Sincerely,



John J. Dreyzehner, MD, MPH, FACOEM
Commissioner

cc: Tim Belisle, General Counsel
Ballad Health

Claire C. Haltom
Baker Donelson PC

Tony Keck, Executive VP and Chief Population Health Officer
Ballad Health

Gary Miller, Interim COPA Compliance Officer
Ballad Health

Erik Bodin, Office of Licensure and Certification
Commonwealth of Virginia

Larry Fitzgerald
COPA Monitor

Janet M. Kleinfelter, Deputy Attorney General
State of Tennessee

Jeff Ockerman, Director, Division of Health Planning
Tennessee Department of Health