



Alan Levine
Chairman,
President and Chief Executive Officer

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balladhealth.org

July 6, 2021

The Honorable Lisa Piercey, MD, MBA, FAAP
State Health Commissioner
Tennessee Department of Health
710 James Robertson Parkway
Nashville, TN 37243

The Honorable M. Norman Oliver, MD, MA
State Health Commissioner
Virginia Department of Health
109 Governor Street
Richmond, VA 23219

Re: Proposal to Modify Children's Health Plan (to include Miracle Field)

Dear Commissioner Piercey and Commissioner Oliver:

We are in receipt of your letters dated June 7 and June 9, 2021 responding to our amendment request to add the Miracle Field project to the Children's Health Plan. Ballad Health ("Ballad") appreciates the time you have taken to review our proposal and we are glad to see that you are in agreement regarding the benefits the project will provide the region.

Both letters indicated that Ballad would only receive credit for the portion of Ballad's spend that occurred after the plan modification was submitted. Ballad disagrees with the states' position on this issue. We believe Ballad should receive credit for the total amount spent towards this project since the project, as both of your letters note, is consistent with the objectives of the Children's Health plan, the Tennessee Terms of Certification (the "TOC"), and the Virginia Order and Authorizing a Cooperative Agreement (the "CA"). We would like to work with both states to resolve this interpretation matter in the near future. However, until the matter of 'prospective credit' is mutually resolved, in order to ensure consistent application of the states' current position, we ask that you consider applying \$150,000 towards Ballad's commitment, rather than the \$100,000. This is the total amount that will be spent on the project after Ballad's proposal to modify the Children's Health Plan was submitted on March 17, 2021.

By way of background, Ballad's \$250,000 pledge towards the Miracle Field project was structured as five installment payments of \$50,000. Ballad made the first two installment payments on January 14, 2020 (payment was made after invoicing from the City of Kingsport, which is why the first two years were included in one payment). As you will see from the attached cancelled check, Ballad made the third installment payment on March 18, 2021 - *after* the plan amendment for this project was filed. Ballad intends to make the final two installment payments in FY22 (\$50,000) and FY23 (\$50,000). We appreciate your willingness to credit Ballad for the spending that has occurred since the plan

amendment was filed and respectfully request that the amount be adjusted to be consistent with the approach set forth in your letters.

Your letters also requested that Ballard provide a schedule of milestones and metrics related to the project. As previously noted, this facility is owned by the City of Kingsport, not Ballard. While Ballard is a financial supporter of the project, our organization has no oversight or management of the Miracle Field's development and operation. The City of Kingsport is estimating that 500-600 children will use the Miracle Field facility annually, but this is an outdoor recreational facility that anyone can use at any time, so those numbers may vary greatly.

Given the nature of Ballard's involvement with this project, we are proposing the following milestones and metrics for the Miracle Field project:

- Ballard's third \$50,000 installment pledge shall be made no later than June 30, 2021.
 - This is satisfied by the payment made on March 18, 2021, as evidenced by the attached cancelled check.
- Ballard's fourth \$50,000 installment pledge shall be made no later than June 30, 2022.
- Ballard's fifth \$50,000 installment pledge shall be made no later than June 30, 2023.

As requested, Ballard will include this project and the investment in the next version of the Children's Health Plan and provide updates on the project at the Quarterly Meetings that are held with both states. This project is already having a positive impact on the health and well-being of a vulnerable subset of the service area population. Ballard appreciates your support as we work to improve children's health across our region.

Sincerely,



Alan Levine

Attachment

cc: Herbert H. Slatery, Attorney General and Reporter
State of Tennessee

Janet M. Kleinfelter, Deputy Attorney General
State of Tennessee

Judi Knecht, Interim COPA Director
Tennessee Department of Health

Jeff Ockerman
Tennessee Department of Health

Larry Fitzgerald
Tennessee COPA Monitor

The Honorable Terry G. Kilgore
Delegate, Virginia Assembly and Chair, SWVHA

Allyson Tysinger, Senior Assistant Attorney General
State of Virginia

Joseph Hilbert, Deputy Commissioner, Governmental and Regulatory Affairs
Virginia Department of Health

Erik Bodin, Director, Office of Licensure and Certification
Virginia Department of Health

Kevin Meyer, COPA Analyst
Virginia Department of Health

Dennis Barry
Southwest Virginia Health Authority

Tim Belisle, EVP & General Counsel
Ballad Health

Lynn Krutak, EVP & Chief Financial Officer
Ballad Health

Marvin Eichorn, EVP & Chief Administrative Officer
Ballad Health

Karen Guske, SVP COPA Compliance Officer
Ballad Health

Salad Health

Accounts Payable
PO Box 869
Kingsport, TN 37682
APCustomerService@SaladHealth.org

First Tennessee Bank
57434642

Check No. 1311701

Check Date
03/18/2021

Check Amount
\$ 50,000.00

PAY Fifty Thousand AND 00/100

TO THE
ORDER
OF

K-PLAY SPORTS COUNCIL INC
400 CLINCHFIELD STREET
SUITE 100
KINGSPORT TN 37680

Loren Kroutak

Checks over \$50,000.00 require a second signature.

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* FEDERAL RESERVE BOARD OF GOVERNORS REG. NO. *

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DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
OR IN THE AREA FOR MICR MACHINE READING

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