



**STATE OF TENNESSEE  
DEPARTMENT OF HEALTH**

Andrew Johnson Tower, 5<sup>th</sup> Floor  
710 James Robertson Parkway  
Nashville, Tennessee 37243

**LISA PIERCEY, MD, MBA, FAAP**  
Commissioner

**BILL LEE**  
Governor

April 19, 2022

Mr. Alan Levine  
Chairman, President and Chief Executive Officer  
Ballad Health  
303 Med Tech Parkway, Suite 300  
Johnson City, TN 37604

RE: Restated 35% Waiver as of January 31, 2018

Mr. Levine,

This is in response to your letter dated March 3, 2022 in which you restate the original numbers (Full-time equivalents and corresponding percentages) for a previously granted waiver to accurately reflect the employed physicians that were in place as of January 31, 2018. The January 31, 2018 waiver (“Employed Physician Waiver”) permitted Ballad Health (“Ballad”) to employ the stated concentrations of physicians by designated specialties above the limitation contained in the then-current version of Section 5.05(e) (“35% limitation”) of the Second Amended and Restated Terms of Certification, dated April 27, 2021 (“TOC”). Since that time, Ballad has sought, and the Tennessee Department of Health (“TDH”) has granted, additional waivers of the 35% limitation which have altered some of the permissible percentages.

The Employed Physician Waiver of the 35% limitation was specifically addressed in the verbiage of Section 5.05(e). The most recent version of the TOC contains a 35% limitation for each of Sullivan and Washington County, Tennessee but does not limit the number of employed specialty physicians at individual hospitals nor limit physicians practicing at hospitals in other counties within the Ballad geographic service area.

TDH recognizes the need of patients for physicians and surgeons with specialized training, and it was the intent of TDH at the time of signing the TOC to retain then-current staffing levels but to limit the expansion of the percentage of Ballad employed physicians practicing at certain Ballad hospitals. TDH understands that your letter was intended to clarify the numbers and percentages of physicians practicing at Ballad facilities within the relevant counties and not to alter the numbers and percentage. Further, I understand that you have reviewed your recalculations with the COPA Monitor.

TDH appreciates Ballad’s efforts to provide the most accurate and complete information about employed physicians to TDH and to the public. **Therefore, the restatement is accepted, and Ballad is granted a permanent waiver, effective retroactively as of January 31, 2018, for the number and percentage of specialty physicians practicing in each of Sullivan and Washington County as stated in your attached letter of March 3, 2022.**

Thank you for your continuing efforts to serve the needs of your patients. TDH is confident that affirming these waiver requests will provide benefits to residents in the region in the form of improved access and outcomes. Ballard's success is imperative to the residents of Northeast Tennessee and Southwest Virginia, and we want to do our part to help make that success possible.

Please let my staff know if you have any additional questions or need further clarification.

Sincerely,



Lisa Piercey, MD, MBA, FAAP  
Commissioner

Attachment; Ballard March 3, 2022 letter

Cc:

The Honorable Colin M. Greene, MD, MPH  
Acting State Health Commissioner  
Virginia Department of Health

Tim Belisle, General Counsel  
Ballad Health

Marvin Eichorn, EVP, Chief Administrative Officer  
Ballad Health

Karen Guske, COPA Compliance Officer  
Ballad Health

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

Allyson Tysinger  
Virginia Senior Assistant Attorney General

Kevin Meyer  
COPA Analyst, Virginia Department of Health

Larry Fitzgerald  
COPA Monitor

Janet M. Kleinfelter, Deputy Attorney General  
State of Tennessee

Jim Mathis, COPA Director  
Tennessee Department of Health

Judi Knecht, Population Health Program Manager  
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Claire C. Haltom  
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