



**STATE OF TENNESSEE  
DEPARTMENT OF HEALTH**

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**BILL LEE**  
GOVERNOR

**RALPH ALVARADO, MD, FACP**  
COMMISSIONER

January 5, 2024

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

**RE: Ballad Health's ("Ballad") request to close surgical services at Hawkins County Memorial Hospital**

Mr. Levine,

This is in response to your letter dated November 1, 2023 giving the Tennessee Department of Health ("TDH") notice of the proposed closure of surgical services at Hawkins County Memorial Hospital ("Surgical Services Letter"). Subsequently, TDH requested additional information from Ballad, which Ballad has furnished, and TDH staff has interviewed community members and Hawkins County physicians regarding the proposed changes in surgical services. We understand that the sole provider of surgical services at Hawkins County Memorial Hospital retired at the end of 2022 and that efforts to recruit a replacement have not been successful. Due to the relatively small and decreasing volume of procedures, Ballad has been providing surgical services with a surgeon coming to Hawkins County Memorial Hospital one day per week to provide clinic services with the surgical procedures being offered in Greeneville, Tennessee and elsewhere in the Ballad system. The Surgical Services Letter states that no Ballad team members will lose employment by this change as all team members have already accepted other positions within Ballad or have retired.

We further understand that in addition to inpatient and emergency services, Hawkins County Memorial Hospital and its adjacent campus currently offer physician offices, an urgent care center and rehabilitation services and other services, as well as laboratory, pharmacy and imaging.

The Surgical Services Letter references Section 4.03(c)(i) of the Fourth Amended and Restated Terms of Certification, dated July 1, 2023 ("TOC"), which requires Ballad to give TDH ninety (90) days prior notice of any proposed deletion or repurposing of any service line at a hospital supervised by TDH. The section further lists several factors TDH may consider in

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determining whether the proposed action will have a negative impact on the Public Advantage found under the Certificate of Public Advantage ("COPA") issued by TDH to Ballad. Finally, the section stipulates that the proposed action will not be taken if TDH withholds its consent, which TDH shall not unreasonably withhold or delay.

TDH notes the difficulty of recruiting surgeons in rural areas of the country and the challenge of maintaining adequate healthcare staffing in general under the current market conditions. TDH further notes that enhancing the quality of hospital care and improvements in the utilization of hospital services are benefits supported in the COPA.

While closure of surgical services at Hawkins County Memorial Hospital may add burden to some patients, the potential negative impacts of the proposed changes, balanced against the potential positive impacts, do not outweigh the Public Advantage required under the COPA. Therefore, based upon good cause shown by the totality of the information provided to TDH, **I consent to the request to close surgical services at Hawkins County Memorial Hospital effective on the date of this letter.** However, to assure access and quality of care and to minimize the burden of travel, time and inconvenience on residents of Hawkins County, we strongly encourage Ballad to maintain as many current and additional pre-operative, peri-operative and post-operative services at Hawkins County Memorial Hospital as staffing and quality will permit.

Thank you for your continuing efforts proactively to find solutions to problems that threaten the continuation of quality care delivery.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Alvarado', with a long horizontal flourish extending to the right.

Ralph Alvarado, MD, FACP  
Commissioner

cc: Julie Bennett, Chief Legal Officer  
Ballad Health

Marvin Eichorn, EVP, Chief Administrative Officer  
Ballad Health

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Karen Seiden, COPA Compliance Officer  
Ballad Health

Karen Shelton, MD, Commissioner  
Virginia Department of Health

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

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