



**STATE OF TENNESSEE
DEPARTMENT OF HEALTH**

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BILL LEE
GOVERNOR

RALPH ALVARADO, MD, FACP
COMMISSIONER

May 2, 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") Proposal to Modify the Health Research and Graduate Medical Education ("HR/GME") Plan to include funding for the Southwest Virginia Higher Education Center Simulation Laboratory ("SVHEC Sim Lab")

Mr. Levine,

This letter is in response to your request to the Tennessee Department of Health ("TDH") under Section 3.06(c) of the Fourth Amended and Restated Terms of Certification, dated July 1, 2023 ("TOC") to modify the current HR/GME Plan. The plan modification seeks the inclusion of \$100,000 in the fiscal year 2024 ("FY24") plan year towards the cost of developing the SVHEC Sim Lab. TDH appreciates the details of the proposal provided in the October 2023 letter to you from SVHEC, as well as the letters of support you have furnished to us from a range of institutions of higher learning and community organizations throughout the Virginia Highlands area.

TDH recognizes the goal of the HR/GME Plan to provide effective training and workforce and pipeline development into healthcare careers for the region. We believe the SVHEC Sim Lab can expand the opportunities for the development of highly trained nurses and allied health practitioners.

The Certificate of Public Advantage ("COPA") Monitor has reviewed your submission. Following his review, he has submitted his recommendation to approve the proposed plan amendment. Further, TDH notes that by letter dated April 19, the Virginia Department of Health approved, appropriately vetted and confirmed expenses against the HR/GME Plan monetary commitment. In our review, we have relied upon the representations in your request regarding the benefit of the SVHEC Sim Lab to the community.

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It is the responsibility of TDH to ensure good stewardship of COPA community investment dollars. We note, however, that final amounts credited towards the HR/GME monetary commitment will need to meet the standards set forth in Sections 3.01 and 3.03 of TOC. We accept the milestones and metrics in your request as sufficient to demonstrate to the public the benefits the community is receiving as a result of this investment.

Therefore, **the modification request is approved, and the HR/GME Plan shall be amended as of the date of the letter to include the requested funding of up to \$100,000 towards the cost of developing the SWHEC Sim Lab.** The validation of actual expenditure and final cost creditable to the HR/GME Plan will be made by the COPA Monitor in the annual HR/GME Plan expenditure reconciliation.

Thank you for your continuing efforts to serve the needs of your community and patients. TDH is confident that granting this request will provide benefits to the community as contemplated in Section 3.03 of the TOC. We appreciate this important project as well as your efforts to comply with the plan modification process.

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

Karen Seiden, COPA Compliance Officer
Ballad Health

Karen Shelton, MD, Commissioner
Virginia Department of Health

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

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

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