



**STATE OF TENNESSEE
DEPARTMENT OF HEALTH**

ANDREW JOHNSON TOWER, 5TH FLOOR
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243

BILL LEE
GOVERNOR

RALPH ALVARADO, MD, FACP
COMMISSIONER

May 13, 2025

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 Behavioral Health Plan to include capital funding and operational costs for opening a Strong Futures Substance Abuse Treatment program to be located inside the former Mountain View Regional Hospital location in Norton, Virginia (“Strong Futures Norton Program”)

Mr. Levine,

This letter is in response to your request submitted October 1, 2024, under Section 3.06(c) of the Fourth Amended and Restated Terms of Certification dated July 1, 2023 (“TOC”) to modify Ballad’s Behavioral Health Plan to include up to \$5,968,400 in capital expense towards the Strong Futures Norton Program. I have reviewed your request along with the recommendation of the Tennessee Certificate of Public Advantage (“COPA”) Monitor, who has coordinated the analysis of your proposal with the monitor from the Virginia Department of Health. I am also aware of the March 20, 2025, approval letter for this request by the Virginia Department of Health.

Generally, TOC Section 3.01 requires that only new and incremental capital expenditures and operating expenses pursuant to approved spending plans count towards satisfaction of the spending commitments, and TOC Section 3.02(a) addresses the goals and objectives of the Behavioral Health Plan, which contains an explicit reference to the construction of a residential addiction recovery center. Further, the Tennessee Department of Health (“TDH”) recognizes the importance of quality and accessible addiction treatment services, especially for pregnant and parenting women, throughout the geographic service area of Ballad.

Ballad projects that the Strong Futures Norton Program will care for approximately 180 mothers annually by providing a combination of American Society of Addiction Medicine (ASAM) level 3.5, 3.01 and 2.1 services along with medication assisted treatment in a coordinated manner.

Mr. Alan Levine, President & CEO
Ballad Health
May 13, 2025
Page 2

The COPA Monitor has reviewed your submission and submitted additional questions and requests for information, which you provided to him. In our review, we have relied upon the representation in your request regarding the benefit of the Strong Futures Norton Program to the community, which includes mothers and families, resident or employed, in the state of Tennessee.

It is the responsibility of TDH to ensure good stewardship of COPA community investment dollars. We note, however, that final amounts credited towards the Behavioral Health Plan monetary commitment will need to meet the standards set forth in Section 3.01 and 3.02(a) of the TOC. The COPA Monitor has included in his recommendation key performance indicators of the success of the Strong Futures Norton Program, such indicators as the number of unique women served; the number of children residing with their mother during treatment; the percentage of pregnant mothers completing the Strong Futures Norton Program who deliver non-neonatal abstinence syndrome (“NAS”) babies; the percentage of pregnant mothers completing the Strong Futures Norton Program who have zero detoxification readmissions and other clinical manifestation within six (6) months and within twelve (12) months of discharge; and NAS birth reduction.

Therefore, **I approve the modification request, and the Behavioral Health Plan shall be amended as of March 20, 2025, to include the requested funding of up to \$5,968,400 in capital expense towards the Strong Futures Norton Program.** The validation of actual expenditures and final costs creditable to the Behavioral Health Plan will be made by the COPA Monitor in the annual Behavioral Health Plan expenditure reconciliation. I also reserve to the COPA Monitor’s discretion the approval of specific milestones and metrics to demonstrate sufficiently to the public the benefits the community is receiving as a result of this investment.

We appreciate Ballad’s efforts to fulfill its monetary commitments under the TOC and look forward to the benefit these expenditures will have for the citizens of Tennessee. 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 3.02(a) 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

Mr. Alan Levine, President & CEO
Ballad Health
May 13, 2025
Page 3

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

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

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

Kevin Meyer
COPA Analyst, Virginia Department of Health

Allyson Tysinger
Virginia Senior Assistant Attorney General

Joe R. Landsman
COPA Monitor

Kevin M. Kreutz, Deputy Attorney General
State of Tennessee

JW Randolph, MPH, Deputy Commissioner Health Strategy and Regulation
Tennessee Department of Health

Elizabeth Jones, Director, Health Planning
Tennessee Department of Health

Jim Mathis, COPA Director
Tennessee Department of Health

Judi Knecht, COPA Assistant Director
Tennessee Department of Health

Claire C. Haltom
Baker Donelson PC