



**STATE OF TENNESSEE
DEPARTMENT OF HEALTH**

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BILL LEE
GOVERNOR

RALPH ALVARADO, MD, FACP
COMMISSIONER

June 16, 2025

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

**Re: Approval of Ballad Health's ("Ballad") Fiscal Year 2026-Fiscal Year 2028
("FY26-28") Spending Plans**

Mr. Levine,

I am writing to address the FY26-28 spending plans ("Replacement Plans") required of Ballad under Section 3.06(b) of the Fifth Amended and Restated Terms of Certification, effective January 1, 2025 ("TOC"). We understand that Ballad has simultaneously requested approval of similar Replacement Plans from Virginia under its Letter Authorizing a Cooperative Agreement ("CA") and desires that the states align required spending under the TOC and CA as closely as possible.

These Replacement Plans have been reviewed by staff at the Tennessee Department of Health ("TDH") and the Tennessee Certificate of Public Advantage ("COPA") Monitor. Thank you for the original submissions and for the additional information Ballad provided based upon the requests of the COPA Monitor. The final FY26-28 Replacement Plans, and the specific budgets set forth for Fiscal Year 2026, which have been recommended to me for approval by TDH staff and the COPA Monitor, are attached to this letter. The Replacement Plans do not alter the total amount of the monetary commitment under the TOC, nor do they alter the relative amount required under each spending plan. Ballad has previously satisfied the monetary commitment for Rural Health Services under 3.02(c) and Children's Services under Section 3.02(b) of the TOC. Therefore, those plans are not explicitly covered in the Replacement Plans.

I find that the FY26-28 Replacement Plans, and the budgets set forth for Fiscal Year 2026,

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reasonably address the spending obligations under the TOC. **Therefore, I approve the FY26-28 Replacement Plans titled Ballad Health FY26-FY28 Plans effective as of July 1, 2025.**

We do note that final satisfaction of the monetary obligations and commitments of Ballad under Section 3.01 of the TOC will only be determined after review and verification by the COPA Monitor that sufficient amounts were expended under the standards set forth in that section. Amounts spent and validated by the COPA Monitor must comply with the language of the TOC.

We appreciate Ballad's efforts to fulfill its monetary commitments under the TOC and look forward to the benefits those expenditures will have for the citizens of Tennessee. 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

Attachment: **Ballad Health FY26-FY28 Plans**

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

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

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Virginia Senior Assistant Attorney General

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