



March 10, 2025

via: UPS and Email

The Honorable Ralph Alvarado, MD, FACP  
State Health Commissioner  
Tennessee Department of Health  
710 James Robertson Parkway  
Nashville, TN 37243

The Honorable Karen Shelton, MD, FACOP  
State Health Commissioner  
Virginia Department of Health  
109 Governor Street  
Richmond, VA 23219

Dear Commissioner Alvarado and Commissioner Shelton:

Pursuant to Section 6.04(b) of the Fourth Amended and Restated Tennessee Terms of Certification dated July 1, 2023, and to the Virginia Order and Letter Authorizing a Cooperative Agreement dated October 30, 2017, Ballad Health made timely submission of its Fiscal Year 2024 ("FY24") Annual Report. Since the date of that submission, Ballad Health became aware of certain information that should be revised. Ballad Health hereby submits an amended Fiscal Year 2024 Annual Report (the "Amended Report") with the below revisions.

- 1) **Plan Spend (HR/GME)** – During Ballad Health Internal Audit's review of Q1 FY25 Plan Spend, it was discovered that the salaries included as expense for the Gatton College of Pharmacy Center line item were charged at 100%, versus an allocation to the project. Internal Audit noted that the reallocation would impact FY24 HR/GME Plan Spend as previously reported. This change resulted in a reduction in FY24 HR/GME Plan Spend of approximately \$300,000. The change was reviewed by Internal Audit and discussed with the COPA Monitors. The amounts reported as Ballad Health total grant funding on page 7 of the Executive Summary and for ETSU Gatton College of Pharmacy grant funding on page 46 of the Amended Annual Report were revised to reflect the reduction (from \$8.5 million to \$8.2 million and from \$1,007,815 to \$700,000, respectfully).
- 2) **Quality** – The Tennessee Department of Health staff reviewed Ballad's FY24 Annual Report and provided Ballad Health with two questions on the Quality Attachments. Based on review of these questions, Ballad Health Quality made the following revisions:
  - a. For consistency, **OP 31 Cataracts Improvement** language on page 71 was changed from "Minimal cases" to "Too few cases to report".

- b. Corrected a formula error in the **National Averages** column for certain measures including several HCAPS, OP-10 Abdomen CT Use of Contrast Material, and OP-13 Outpatients who got cardiac imaging stress tests before low-risk outpatient surgery, in Attachment 2 (Comparison to Similarly-Sized Systems) and Attachment 3 (System Comparisons).

The Ballad Health Amended Annual Report covers the same timeframe of the original report - July 1, 2023, through June 30, 2024 (the "Reporting Period").

As always, we welcome any questions or comments that you may have.

Sincerely,



Karen Seiden  
SVP, COPA Compliance Officer  
Ballad Health

cc: Jonathan Skrmetti  
Tennessee Attorney General and Reporter

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