

COPA Compliance Office – Annual Report for FY 2018
Covering 02/01/2018 – 06/30/2018 “Reporting Period”

Submitted pursuant to the Terms of Certification Governing the Certificate of Public Advantage Issued to Ballad Health Pursuant to the Master Affiliation Agreement and Plan of Integration by and between Wellmont Health System and Mountain State Health Alliance Approved on September 19, 2017 and Issued on January 31, 2018 (“TOC”) and the Virginia Order and Letter Authorizing a Cooperative Agreement dated October 30, 2017 (“CA”).

CERTIFICATION OF COMPLIANCE WITH THE TOC AND THE CA

Pursuant to section 6.04(a) of the TOC, the undersigned hereby certifies the following report and its attachments are true and correct to the best of his/her knowledge after due inquiry and are accurate and complete.



Gary Miller
Sr. Vice President
Interim COPA Compliance Officer
Ballad Health

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COPA COMPLIANCE OFFICE - ANNUAL REPORT

Covering 02/01/2018 – 06/30/2018 “Reporting Period”

1. Requirements. Exhibit F, section 2 of the TOC requires an annual submission as follows: Prepare and submit the COPA Compliance Office Annual Report, which shall include an account of the activities of the Office, including the number and nature of complaints, identification of any potential violations of the COPA and the Terms of Certification, and other items as identified by the Department or by the Local Advisory Council. The COPA Compliance Office Annual Report shall be submitted, if not sooner, according to the same time frame applicable to the submission of the Annual Report of the New Health System. See Section 6.04(b) of the Terms of Certification.

2. Reporting Requirements

A. COPA Compliance Complaints Report (TOC Exhibit F, Section 2, bullet 5)

i. The CCO has established a process for all Certificate of Public Advantage and Cooperative Agreement (“COPA”) related complaints to be documented. All Ballad Health team members have access to an AlertLine that they may call anonymously to register complaints or concerns, 1-800-535-9057. Additionally, a description of the CCO and the process for filing complaints has been added to the Ballad Health external website and includes a link to an email address for COPA Compliance, copa.compliance@balladhealth.org.

A log documenting all complaints is maintained by the CCO. Once a complaint is received it is reviewed. When appropriate the complaint is investigated to ascertain the facts. If a violation of the COPA has occurred, corrective action is recommended. Any complaints that cannot be resolved by the CCO will be referred to the Audit and Compliance Committee of the board for direct resolution.

ii. During the Reporting Period covered by this report there were no complaints filed with the CCO.

B. COPA Compliance Office Account of Activities (TOC Exhibit F, Section 2, bullet 7)

i. A complete listing of deliverables that were due to the State and the Commonwealth during this Reporting Period were submitted by the required times are listed in the Ballad Health FY18 Annual Report as Table A.

ii. Education/Training – The effectiveness of our COPA Compliance Program depends upon the participation in the on-going COPA Compliance initiatives and activities by each team member. All team members must know the expectations of the COPA Compliance Program, abide by these expectations, and be sensitive to situations that could lead them or others to violate these expectations. To this end the COPA Compliance Office prepared training materials to educate several constituencies across the organization regarding the COPA/CA requirements and all the measures necessary to fully comply with these agreements. Initial training began with departments/committees deemed “Responsible Parties”. This included one-on-one interactive sessions assigning individuals responsible for producing the work products, reports and deliverables required by the TOC and CA. Responsible Party education included sessions with: the Clinical Officer, Finance and Managed Care, Hospital Operations, Human Resources, Information Technology, Legal, Physician Contracts, Quality and Population Health. Each Responsible Party was given a work chart detailing specific sections outlined in the TOC/CA, for which they are accountable to provide deliverables or certify compliance.

COPA Compliance education was developed for Ballad Health team member orientation. A computer based learning module (CBL) regarding COPA Compliance was developed and deployed for the annual employee education requirements. The COPA Compliance policies were also compiled as a CBL which was assigned to all Ballad Health team members to complete. The Ballad Health board, the Clinical Council and Ballad Health leadership were each provided a COPA Compliance educational slide presentation suitable for either group or individual review. The COPA Compliance Training Plan was developed and submitted on 6/30/18 and included the following timelines for completion of education:

Parties Receiving COPA Compliance Education	Timelines for Education Completion
New members of the Ballad Health Board of Directors	Within 60 days after becoming a member
Ballad Health employees	Employees will receive COPA Compliance education in an orientation forum and annually thereafter via CBL. This education is incorporated into the Corporate Compliance annual employee CBL.

Parties Receiving COPA Compliance Education	Timelines for Education Completion
Department leaders <ul style="list-style-type: none"> • Human Resources • Physician Contracts • Population Health • Quality • Finance & Managed Care • Information Technology • Hospital Operations • Clinical Officer • Legal 	March 16, 2018 March 16, 2018 March 19, 2018 March 19, 2018 March 20, 2018 March 20, 2018 April 3, 2018 April 11, 2018 May 1, 2018
Audit Compliance Committee	April 12, 2018
Members of Ballad Health Board of Directors	July 31, 2018
Physician Clinical Council	September 5, 2018

iii. Policies & Procedures – The COPA Compliance Office developed policies and procedures relative to COPA Compliance which were approved by the Ballad Health Audit and Compliance Committee and by the board. These policies were submitted to the state and commonwealth. Minor modifications were requested by the state on three of the policies. These modifications were finalized and submitted with the FY18 4th Quarter COPA Compliance report.

iv. Waivers and Modifications - Ballad Health is committed to operating the organization in compliance with the TN TOC and VA CA and to identifying our legal responsibilities and conducting our business practices accordingly. When management identifies changes in circumstances that would require a modification or waiver of the terms of the TOC or CA, the organization needs to submit requests to the states. Accordingly, the COPA Compliance Office in conjunction with the Ballad Health Legal Department has developed a process to submit requests for determinations from the state and commonwealth. During the Reporting Period four waiver requests were submitted and approved. Two additional waiver requests were submitted and the final decision has not yet been received. Five requests for modifications/extensions were submitted. Ballad Health is still in discussions regarding the final decision on these requests.

Waiver Requests

- Request to substitute Dr. Oppong for Dr. Gupta under the waiver previously granted (1/31/18) to employ a nephrologist at JMH. Waiver granted 3/15/18.
- Request to offer employment to certain Neurosurgeons and Physical Medicine and Rehabilitation Physicians in Johnson City and Kingsport (2/1/18). Waiver granted 2/28/18.
- Request to allow JCMC CV surgeons to cover at BRMC for a temporary gap in coverage (4/6/18). Temporary waiver granted 4/6/18.
- Request to allow cross credentialing of certain employed physicians to other facilities within Ballad Health (4/13/18). Waiting on signed approval from Commissioner.
- Request for Cardiothoracic Coverage: Allow JCMC Drs. Palazzo, Raudat, & Hesel to provide coverage at BRMC (5/17/18). Waiting on signed approval from Commissioner.
- Request for Consolidation of Cardiovascular CATH Lab Operations in Kingsport (Tim Belisle sent request to Janet Kleinfelter in a letter dated 6/4/18; Formal letter request signed by CEO, Alan Levine, sent to Commissioner 9/14/18). Waiver granted 9/20/18.

Requests for Modifications/Extensions

- Request for Extension on Payment Indices for Outpatient, Physician Clinics, Ambulatory Surgery Centers and for Never Contracted Percent (5/30/18)
- Base Charity Care - submitted a request to Mr. Fitzgerald for a written addendum/revision to the TOC to adjust charity reporting to a fiscal year basis to coincide with Ballad Health's reporting methodology. (6/20/18)
- Letter regarding Timing Confirmations – Todd Norris (6/25/18)
- Letter Regarding Ballad Health Governance Modifications (6/27/18)
- Ballad Health Request for Measurement changes (Population Health Measures) (6/1/18)

v. Situation, Background, Assessment, Recommendation (SBAR) process/flow chart & template – As a procedure for submitting any requests for consents or waivers from the states, Ballad Health has developed an internal process to assist staff in providing standardized and comprehensive information regarding each request. This procedure requires that Ballad Health leaders who identify a need for a consent or waiver submit an SBAR request. The COPA

Compliance Office has developed the flow chart and template form to support the SBAR process, which is attached hereto as Attachment 1. The COPA Compliance Office is in the process of evaluating implementation of MediTract as an SBAR lifecycle manager incorporating documentation of processes and workflows across the system and with the state. The intent is for MediTract to host an SBAR library, tracking process, submission history and resultant decisions.

vi. The COPA Compliance Office has developed a SharePoint site to enhance communication and to provide a resource for essential documents and templates. The SharePoint intranet site hosts content and resources to assist all Ballad Health team members. There is also a SharePoint internal site that hosts content available only to COPA Compliance Office staff. The SharePoint sites will be updated regularly to ensure timely communications within the department and throughout the system.

C. COPA Compliance Office Report on Potential Violations of the TOC or CA - (TOC Exhibit F, Section 2, bullet 7). While discussions were continuing during this Reporting Period with the state regarding the application of the 35% rule, Ballad Health utilized employed cardiovascular and thoracic surgeons to provide call coverage at BRMC. This was deemed necessary to provide the required care for Ballad Health patients.

D. COPA Compliance Forecast of Expenses (TOC Exhibit F, Section 2, bullet 9) - Below is a forecast of expenses which supports the functions of the COPA Compliance Program for FY2019

COPA Compliance Department FY2019 Projected Expenses	
Operating Expenses (Salaries, Benefits, Office Supplies & Education) & Projected Legal Fees Allocated	1,123,481
Projected TN COPA Fees	1,827,000
Projected VA Coop Agreement Fees	1,827,000
TOTAL	4,777,481

E. COPA Compliance Office Work Plan (TOC Exhibit F, Section 2)

i. During the Reporting Period the COPA Compliance Office worked on a Work Plan that details the structure and elements of the COPA Compliance Program for the consideration of the board and pending approval.

Attachment 1 - SBAR Process Flow Chart & Template

Items Requiring a Formal Waiver Request Utilizing an SBAR Submission

(The SBAR Submission Process)

To comply with the terms governing the Certificate of Public Advantage (COPA) set forth in the Tennessee Terms of Certification (TOC) and the Virginia Cooperative Agreement (CA), Ballad Health is required for various identified reasons to request a formal waiver from the states in order to meet certain business needs. The following are detailed situations in which an SBAR (Situation, Background, Assessment and Recommendation) submission is required:

- The closure of a service line
- Repurposing to a non-hospital facility
- Deletion or repurposing of other service lines and facilities
- A circumstance whereby hiring a physician or relocating a physician would increase the percentage of specialty physicians at a non-rural hospital above 35%

Closure of a service line

TOC § 3.08 (d)

TOC § 3.08 (e)(ii),(iii)

CA Condition 27

A “service line” is defined in the TOC and CA as the following service lines at a COPA Hospital: Orthopedics, Pediatrics, Surgery, Obstetrics/Gynecology, Cardiovascular/Heart, Cancer, Emergency Medicine, Neurology/Neurosurgical, Psychiatric/Behavioral Health, Neonatal and Trauma.

The following services are considered “essential services” as defined in the TOC and the CA:

- Emergency room stabilization for patients;
- Emergent obstetrical care;
- Outpatient diagnostics needed to support emergency stabilization of patients;
- Rotating clinic or telemedicine access to specialty care consultants as needed in the community;
- Helicopter or high acuity transport to tertiary care centers;
- Mobile health services for preventive screenings, such as mammography, cardiovascular and other screenings;
- Primary care services, including lab services;
- Physical therapy rehabilitation services;

- Care coordination service;
- Access to a behavioral health network of services through a coordinated system of care; and
- Community-based education, prevention and disease management services for prioritized programs of emphasis based on goals established in collaboration with the Commissioner and the Authority.

Ballad Health may notify the Departments of Health in both Virginia and Tennessee if there is a need for facility closure, deletion or material repurposing of any service line and/or any material reduction in workforce during the COPA Term. (Notification must be made at least sixty (60) days in advance of such action in Tennessee; a nine (9) month advance notice shall be given to the state of Virginia Department of Health after which within 30 days of such notice a plan must be submitted for approval detailing how essential services will continue to be provided in the city/county in which the hospital is located and in any contiguous city/county.)

Repurposing to a non-hospital facility

TOC § 4.03 (b)(i),(ii),(iii),(iv)
CA Condition 27

Ballad Health may repurpose any COPA Hospital to a nonhospital facility provided that access to affordable healthcare services in the geographic service area, including the hospital services and other healthcare and preventative services, are met based on the demonstrated need of the applicable population. If this request is made within the first five (5) full fiscal years after the date of the merger, such repurposing can only alter the physical plant of the COPA hospital to the degree required to provide repurposed services. Essential services must be maintained within the county in which such facility is located to the extent such COPA hospital was providing such services as of the date of repurposing. Ballad Health must exercise reasonable, good faith efforts to relocate any employees adversely affected by actions taken and should provide placement services and training to the adversely affected employees that are accepted practices by comparable health care companies in similar circumstances.

Deletion or repurposing of other service lines and facilities

TOC § 4.03 (c)(i),(ii)
CA Condition 27

Ballad Health may notify the Departments of Health in both Virginia and Tennessee prior to the proposed deletion or repurposing of the entirety of a service line, any key component or procedure thereof or any such facility including by means of divesting an interest in, terminating, materially modifying or creating a joint venture with respect to such service line, key component or procedure thereof or any such facility, which action Ballad Health may not take if the Department withholds its consent. . (Notification must be made at least ninety (90) days in advance of such action in Tennessee; a nine (9) month advance notice shall be given to the state of Virginia Department of Health after which within 30 days of such notice a plan must be submitted for approval detailing how essential services will continue to be

provided in the city/county in which the hospital is located and in any contiguous city/county.) Any deletion or repurposing of a non-material portion of a service line or facility or non-material component or procedure thereof shall not require notice to and approval of the Departments of Health in Tennessee and Virginia.

Examples of material deletions or repurposings that WOULD require notice to and approval from the Departments of Health in Tennessee and Virginia:

- Termination of a cancer service line at any COPA hospital
- Termination of the cardiovascular service line at any COPA hospital
- Any other change to the nature of a service line or facility that would be of a type that the resulting service line or facility would, in the ordinary course, require a certificate of need or other regulatory approval before providing services.

Deletions or repurposings approved upon closing of the merger:

- Consolidation of level 1 trauma centers
- Consolidation of duplicative urgent care centers
- Consolidation of surgery services at Indian Path Medical Center and Holston Valley Medical Center
- Consolidation of non-medical support services

Employed physician limitation not to exceed thirty five percent (35%) at any non-rural COPA hospital per the Tennessee Terms of Certification

TOC § 5.05 (e)(i),(ii)

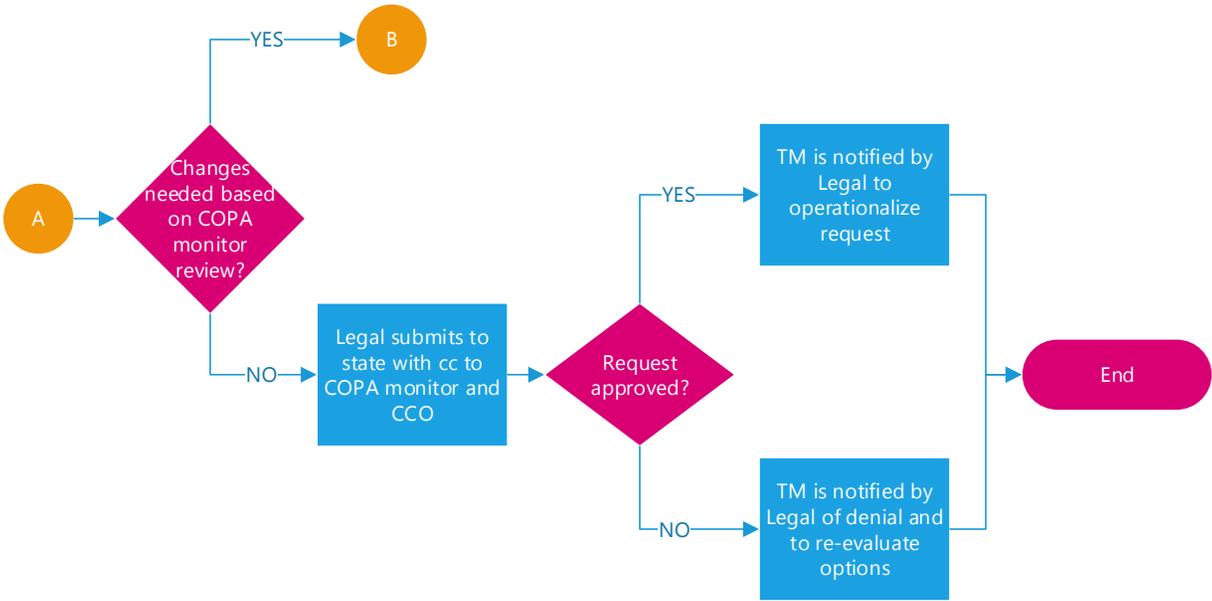
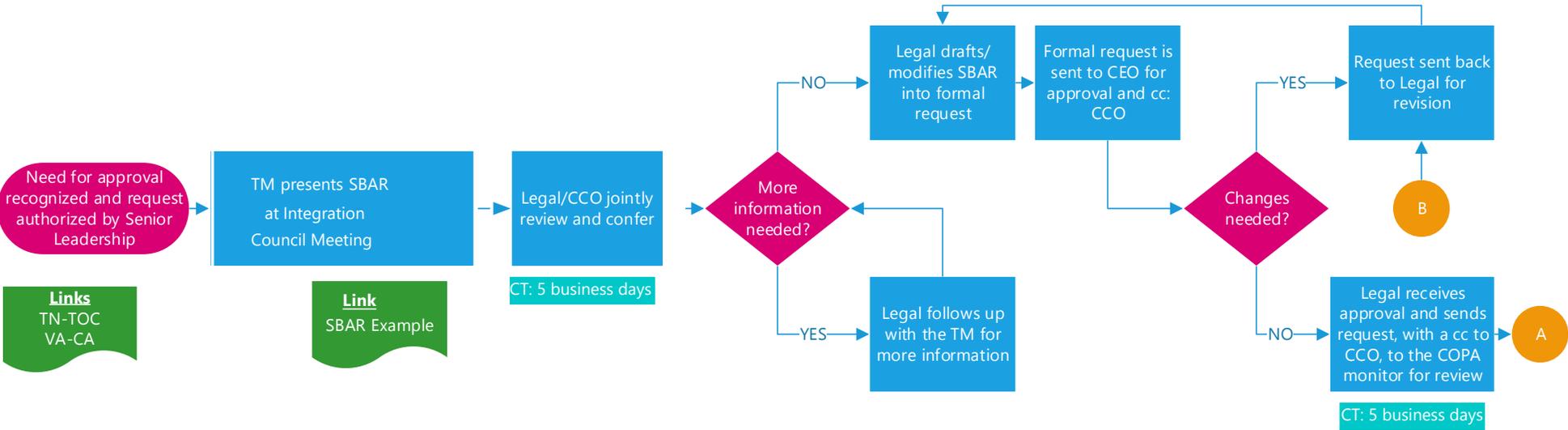
CA Attachment D Article V Managed Care Contracts and Pricing Limitations 5.05(e)

As per the Tennessee Terms of Certification (TOC) and the Cooperative Agreement (CA), Ballad Health can employ no more than thirty five percent (35%) of specialty physicians at any non-rural hospital at any time. On initial issuance of the Certificate of Public Advantage (COPA), the Tennessee Department of Health (TDH) granted a waiver of this rule allowing applicability only to those physicians where all parties collectively exceeded the thirty five percent (35%) limitation and were provided to the Department (included in Exhibit A of the TOC) as employed physicians as of January 31, 2018.

SBAR Approval Process

Version: 7/30/18

Process Owner: COPA Compliance Office



Legend

- CCO-COPA Compliance Office
- CT-Cycle Time
- TM-(Must be Senior Leadership)
- COPA-Certificate of Public Advantage
- TOC-Terms of Certification
- CA-Cooperative Agreement

Facility or Facilities Involved: _____

Requester: _____

Senior Leadership Approval: _____

Submission Date: _____

REQUEST BEING SUBMITTED: _____

DESIRED OR PROJECTED IMPLEMENTATION DATE: _____

S

SITUATION:

- Who are the employed physicians (names, FTEs) seeking cross credentialing?
- Did this specialty exceed the 35% limit on the COPA approval date?
- Have there been additional hires in this specialty since the COPA approval date, how many, who?
- Where are the employed physicians currently credentialed?
- At which additional locations are these employed physicians seeking credentialing?
- Who are the independent physicians that also provide these services at the affected facilities?

B

BACKGROUND:

- Why is cross credentialing being requested?
- What coverage will be provided (services, how many days, etc.)?
- How will utilization be tracked for services covered by this cross credentialing request?
- How will the impact on independent physicians providing these services be measured/tracked & reported?

A

ASSESSMENT:

- What are the benefits: Quality, Safety, Financial
- Do you for see any detrimental outcomes/issues?
- Will existing competition (independent physicians) be materially or adversely affected?

R

RECOMMENDATION:

- What do you recommend?
- What is your rationale?

Tracking Impact of Service Line Modification or Cross Credentialing for Employed Physician(s) – Exceed 35% Cap

TOC 4.03(a)(i) It is the Intent of the Department to ensure that access to needed services is maintained or improved in the Geographic Service area.

TOC 5.05(e) In no event should the number of employed physicians in any specialty reach a level that would materially and adversely affect existing competition

Considerations:

- Who are the independent physicians that also provide these services
- How will impact (patients, access, quality, employees) of the Service Line change be tracked & reported
 - Shift in services to other facilities, places of service (inpatient vs. outpatient)
 - Shift in services among providers (employed vs. independent)
 - Patient access, convenience, cost, insurance coverage (is service covered in new venue)
 - Employees – relocation, severance
- What coverage will be provided (services, how many days, etc.?)
- How will utilization be tracked for services covered by this request
- Were independent providers in the same specialty offered an opportunity to provide service (e.g. call coverage)
 - What documentation is there to show opportunity was offered
 - What documentation is there of the independent provider(s) response
 - Include a copy of all documentation
- How will the impact on independent physicians providing these services be measured/tracked & reported and compared to employed physicians providing these services
 - Relative volumes per provider (e.g. if whole service line increases or decreases were employed & independent providers similarly impacted)
- Will Essential Services, as set forth in Exhibit E, be maintained within the county where Service Line change affected facilities are located
- What are the benefits of the Service Line change/ Cross Credentialing: Quality, Safety, Financial
 - How will this be tracked & reported
- Do you for see any detrimental outcomes/issues
- Will existing competition (independent physicians) be materially or adversely affected
 - Detail impact