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BY EMAIL TRANSMISSION

The Honorable Lisa Piercey, MD, MBA, FAAP
Commissioner
Tennessee Department of Health
710 James Robertson Parkway
Nashville, TN 37243

Re: Inpatient Geropsychiatric and Inpatient Rehabilitation Units at Greeneville Community Hospital West

Dear Commissioner Piercey,

As you are likely aware, Ballad Health ("Ballad") has announced exciting plans to repurpose Greeneville Community Hospital West ("GCHW") for use as a residential facility for women who are pregnant or parenting and who are struggling with the issue of addiction. We are now prepared to move quickly to begin offering these services with some minor cosmetic improvements within the building. You may also be aware that the State of Tennessee has seen the value in this initiative as evidenced by the impressive grant Ballad Health has been authorized to receive for the first two years of operation of this service.

This service would not be possible but for the merger that created the opportunity to consolidate the two hospitals in Greeneville, leaving the capacity for such a new service offering which will benefit the entire region. We are grateful for the foresight of the Attorney General and the Department of Health for its pre-approval of the consolidation.

In order to move forward, Ballad must delicense the beds at GCHW, as the hospital is being repurposed as a residential facility. For security purposes to protect the women and their children, other inpatient hospital services located within the hospital which required hospital licensure must be relocated to other facilities which have licensure. To a large degree, this has already occurred for reasons outlined below. **In order for us to move forward, however, we must receive approval of the Department pursuant to Section 4.03(c)(i) of the Terms of Certification Governing the Certificate of Public Advantage (the "TOC"). Ballad also respectfully requests that the Department waive the ninety (90) day notice period under Section 4.03(c)(i) of the TOC to allow the discontinuation of the Geropsychiatric Unit and Inpatient Rehabilitation Unit to be effective on October 31, 2020 for the reasons set forth below.**

There are only two inpatient hospital service lines remaining at GCHW – Geropsychiatric ("GeroPsych") and Inpatient Rehabilitation. There are alternatives for these services to be provided at other facilities, leaving the availability for these services in place within the region. Already, due to the COVID-19 Pandemic, these services have been moved elsewhere within the region as GCHW was stood up as a

potential COVID Surge facility. This action certainly delayed our plans to implement this important new service for women and their children, but was necessary nevertheless.

Gero-Psych Unit

The Gero-Psych Unit at GCHW is licensed for 16 beds. The unit has historically struggled with a low volume of patients and, despite efforts to grow the unit, it has never averaged a greater than 50 percent occupancy in a month. Even after the Greene County consolidation, the continued low volume trend at the Gero-Psych Unit was placing a significant operational burden on the Greeneville market and system, requiring the spread of finite psychiatric resources.

In April 2020, we notified your office that Ballad was designating GCHW as a COVID surge facility and that we needed to move the GCHW gero-psych patients, who were at a heightened risk of complications if exposed, out of the facility. The transfers were successfully completed without incident. During the temporary closure of the unit, Ballad has been able to accommodate all geropsychiatric admissions from Greeneville at its other hospitals without delays or the need to transfer patients outside the region.

Ballad has carefully considered the impact the permanent closure of the Gero-Psych Unit would have on both patients and employees. Patients will continue to have access to Ballad's behavioral health coordinated system of care. This coordination of care will allow for access to inpatient and outpatient services across the service area. Ballad has a total of 112 licensed inpatient psychiatric beds in Northeast Tennessee, including a Gero-Psych Unit at Woodridge Hospital 30 miles from GCHW. Ballad's 'Respond' team, along with community partner Frontier Health, will continue to support 24/7 crisis assessment and intervention, and manage inpatient consults in Greene County. Ballad will continue to operate the outpatient behavioral services currently located in Greeneville. In recent months, Ballad has also expanded access to virtual behavioral health in all of its hospitals.

With respect to the Gero-Psych Unit employees, all staff members would be given the opportunity to remain employed with Ballad in the Greeneville market. One social worker (1.0 FTE) on the Gero-Psych Unit staff has already chosen to terminate their employment rather than apply for other positions within the Ballad system.

Inpatient Rehabilitation

The Inpatient Rehabilitation ("Rehab") Unit at GCHW is licensed for 11 beds. The Rehab Unit has historically struggled with a low volume of patients and, despite efforts to grow the unit, has averaged 2 to 4 patients a day. In October 2019, we notified your office that the medical director of the Inpatient Rehab Unit, Dr. Jeremy Wetmore, resigned. As a result, Ballad temporarily suspended inpatient rehab services at GCHW.

Then in April 2020, we notified your office that Ballad was designating GCHW as a COVID surge facility. Due to the temporary suspension, there were no rehab patients in GCHW at that time.

There continue to be other options for patients in need of rehab services in the community. One of Ballad's nursing facilities, Laughlin Healthcare Center in Greene County, offers rehab services in skilled nursing beds. In addition, there are several outpatient therapy and rehab facilities in Greene County as

well. Ballad has a total of 25 fully-owned licensed inpatient rehab beds in Virginia and joint ventures with Encompass Health (formerly HealthSouth) in Johnson City and Bristol, Tennessee for a total of 50 beds. We have reached agreement with Encompass to sell the 11 inpatient rehab beds at GCHW to Encompass. Subject to the State's approval of Ballad relinquishing the inpatient rehab beds, Ballad is planning to close the sale to Encompass by December 1, 2020.

Section 4.03(c)(i) of the TOC permits Ballad to delete or repurpose a Service Line after providing the Department at least ninety (90) days prior notice and receiving approval from the Department to proceed with the proposed action. Ballad is hereby requesting the Department's consent to permanently terminate the Gero-Psych Unit Service Line and the Inpatient Rehab Service Line at GCHW and waive the ninety (90) day notice period to allow such termination to be effective as of October 31, 2020. This date was chosen so that Ballad can immediately move forward with its notice to the Department for delicensure, and to then commence the work necessary to begin offering the new residential services.

We appreciate your consideration of this request. Please let us know if you need any additional information.

Sincerely,



Alan Levine
Chairman & Chief Executive Officer
Ballad Health

cc: Herbert H. Slatery III
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