

# COPA LOCAL ADVISORY COUNCIL 2019 ANNUAL REPORT

Ballad Health Certificate of Public Advantage  
Local Advisory Council Report on Public Comments

*March 2019*

# 2018-2109 COPA Local Advisory Council

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***Members:***

**Chair Doug Varney**, former commissioner of the Tennessee Department of Mental Health & Substance Abuse Services

**Rep. David Hawk**, State Representative, Greene County

**Dr. Linda Latimer**, East Tennessee State University board of trustees

**Gary Mayes**, Director, Sullivan County Health Department

**Dr. Jerry Miller**, Founder Holston Medical Group

**Dennis Phillips**, Former Mayor of Kingsport

**Dan Pohlgeers**, former provider and current medical administrator and consultant with Sunesis Medical.

**Dr. Karen Shelton**, Director of Mount Rogers Health District, Virginia Department of Health

**Dr. Brenda White Wright**, Former CEO, Girls Incorporated

# COPA Local Advisory Council

## 2019 Annual Report

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## LETTER FROM CHAIR

To COPA Monitor and the Tennessee Department of Health:

To: Larry Fitzgerald, COPA Monitor  
Commissioner Lisa Piercey, MD, MBA, FAAP, Tennessee Department of Health

The primary function of the Local Advisory Council (LAC) is to facilitate input from residents of Ballad Health's Geographic Service Area who are impacted by the Certificate of Public Advantage (COPA). The LAC was created through the COPA's Terms of Certification which call for the LAC to hold four meetings during the fiscal year and a public hearing to provide a forum for the public to comment on Ballad Health's annual report.

This report is also part of our charge for your review and includes community feedback from the public hearing the LAC held on February 7.

The following are several key takeaways from the public hearing:

- There is a lot of concern in the community, especially around Ballad's recently proposed changes. While Ballad's Annual Report was the focus of the public hearing, most of the public comments were related to the proposed changes or other general concerns. It is important to note, however, that we did hear from people after the public hearing who had positive things to say but who were hesitant to speak up during the public hearing.
- Many of the complaints that members of the LAC are receiving are misdirected either because they are not directly related to the COPA, the law is difficult to understand, or because the roles of the LAC, the COPA monitor, and the Department of Health need to be clarified.
- A common theme we heard is the need for improved communication between Ballad Health and the community, especially in terms of giving notice before major decisions are announced to the public and even offering opportunities for community engagement and buy-in on the front end when possible.

Coming out of the public hearing, the LAC is developing a comprehensive public input process to illicit a more diverse set of perspectives and to ensure that everyone has an opportunity to be heard and provide feedback in a productive and constructive way.

The two of you understand as well as anyone that in many ways Northeast Tennessee and Southwest Virginia are charting a new course through this COPA process.

The LAC is committed to doing our part to make it a positive process for this region by providing opportunities for community input and to update you from a 'boots on the ground' perspective along the way.

If you have any questions or need further information about this report, please let me know.

Sincerely,

Doug Varney  
Chair

## Background and General Information

The Local Advisory Council (LAC) is part of the Active Supervision Structure established under the COPA's [Terms of Certification](#) (TOC). The TOC was first published in September of 2017, when the COPA was approved. The [Execution Version](#) of the TOC was signed and posted to the Tennessee Department of Health's website on January 31, 2018, when the COPA was granted to Ballad Health.

As stated in the TOC, the LAC's main charge is to facilitate input from residents of the Geographic Service Area.

The specific duties and responsibilities of the LAC outlined in the TOC include, but are not limited to, the following:

- Recommend to the Department how funds in the Population Health Initiatives Fund should be spent.
- In coordination with the Department, host an annual public hearing to allow a formal process for the public to comment on the New Health System's Annual Report and the ongoing performance of the New Health System.
- Publish the Local Advisory Council Annual Report on community feedback for review by the COPA Monitor and the Department. Such report shall be published no later than thirty (30) days after the annual public hearing.

On April 6, 2018 Tennessee Department of Health Commissioner, John J. Dreyzehner, MD, MPH, FACOEM, appointed the inaugural members of the COPA Local Advisory Council on April 6, 2018. Former Commissioner of Mental Health and Substance Abuse Services, Doug Varney, was asked to serve as the council's first Chair.

The LAC held three working meetings in 2018: June 6, September 11, and October 25. The meetings consisted largely of presentations from the COPA Monitor, the COPA Compliance Office, the TDH Division of Health Planning, and the Office of the Attorney General as well as several discussions on the limits of the LAC's role. At each meeting a proposed mission statement was discussed, but one has not yet been approved.

Another business matter that was started but has not yet been completed is the development of an official Public Input Process. The LAC Chair designed a public input process proposal that was introduced to the LAC at their October 25, 2018 meeting. Due to the many questions the LAC members had about the proposed process (which was presented by Judi Knecht, staff support for the LAC, in Chairman Varney's absence) the topic was tabled for the evening. Time will be devoted in future LAC meetings to the discussions and development of a comprehensive LAC Public Input Process. (A presentation of the initial proposed Public Input Process is included in this report.)

Currently, the only avenues for public input are:

- In person at the LAC's Annual Public Hearing
- By mail at TN Department of Health – COPA LAC, 710 James Robertson Parkway, 5<sup>th</sup> Floor, Nashville, TN 37243,
- By email at [COPA.Advisory-Council@tn.gov](mailto:COPA.Advisory-Council@tn.gov), or
- via an anonymous comment form available at the LAC's webpage:  
<https://www.tn.gov/health/health-program-areas/health-planning/copa-local-advisory-council.html>

On February 7, 2019, the LAC hosted its first Public Hearing at Northeast State Community College Center for the Arts in Blountville, TN. The turn-out for the hearing was estimated to be between 300-400 attendees. Over three dozen members of the public presented oral comments to the LAC that evening.

As of February 11, 2019, the LAC had received nearly 200 written comments via mail, email, and the on-line comment form.

LAC meeting dates are announced on [the LAC's webpage](#). Meeting agendas and meeting minutes, once they are approved, are posted on the same page. Transcripts of Public Comments from the February 7' 2019 Public Hearing are also available on [the LAC 's webpage](#).

## Public Input Proposal Under Consideration

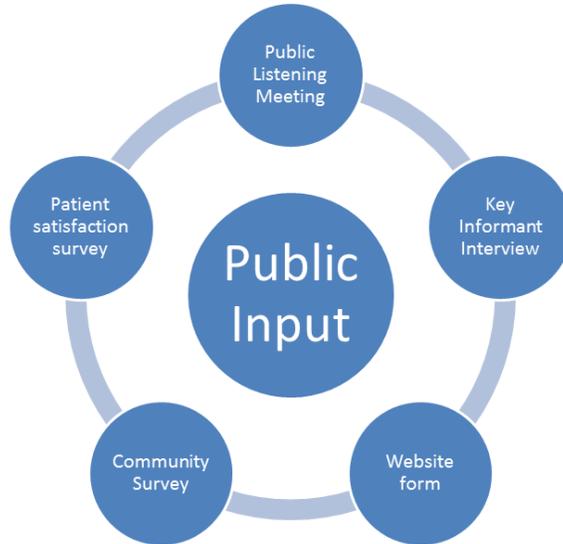
# COPA Public Input Process

Strategies and Roles  
October 2018, Proposal

October 2018 Proposal

1

# COPA Public Input



October 2018 Proposal

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Website Comment form	Public Listening Sessions	Key Informant Interviews	Community Survey	Patient Satisfaction survey
ongoing	Q4, 2018	Q1-2, 2019	Q3, 2019	ongoing
Target Population: Ballad employees, patients, relatives of patients	Target population: Patients, relatives of patients	Target population: Independent clinicians, employer HR staff, economic development/workforce leaders	Target Population: Employers/Payers, business owners	Target Population: Patients
Created and Hosted by TDH's Health Planning	Conducted by LAC and Health Planning	Created in coordination with TDH staff/ Contracted services	Created in coordination with Chambers of Commerce	Created by Ballad / Conducted by Ballad Health
<a href="http://www.tn.gov/health">www.tn.gov/health</a>	Central Location	Off-site visits	Via email/mail	Ballad Facilities
Status: Completed	Status: LAC to select hearing date	Status: Not started	Status: Not started	Status: unknown

October 2018 Proposal

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# Work products / deliverables

## Local Advisory Council / Health Planning Staff

LAC Annual Report with findings from:

- Website comments
- Public Listening Session
- Patient Satisfaction Surveys
- Key Informant Interviews
- Community Surveys

1. Website comments
2. Public Listening Session recorded minutes

## Ballad Health

3. Patient Satisfaction Surveys (in quarterly reports?)

## Public Input Coordinator (employed/contracted)

4. Key Informant Interviews (independent clinicians, employer / payer, economic development / workforce)
  - Participant demographics (zip code)
  - Summary of responses for each group

5. Community surveys (in collaboration with chambers of commerce)
  - Participant demographics (age, gender, race, zip code)
  - Summary of responses for each group

Summary report with Analysis and findings for Advisory Council

 = work product/ deliverable

October 2018 Proposal

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# LAC + Health Planning calendar

Q1	Jan: -Publish Annual Report	Feb: -Confirm with contractor, their role and responsibilities. -Quarterly meeting	Mar:
Q2	Apr:	May: - Quarterly meeting	Jun:
Q3	Jul:	Aug: - Quarterly meeting	Sept:
Q4	Oct: - plan listening session - Quarterly meeting	Nov:	Dec: -host listening session

October 2018 Proposal

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# Contracted services (or TDH staff) calendar

Q1 - 2019	Jan: (Hire Contactor)	Feb: Confirm with LAC the project scope, responsibilities, and expectations	Mar: Plan Key Informant interviews
Q2 - 2019	Apr: Conduct Key Informant interviews	May: Conduct Key Informant interviews	Jun: Report results of Key Informant interviews
Q3 - 2019	Jul: Plan Community Survey in coordination with LAC and Chambers of Commerce	Aug: Administer Community Survey in coordination with Chambers of Commerce	Sept: Report results of Community Survey
Q4 - 2018	Oct:	Nov: TDH identifies funding for staff support or contractor	Dec:

## Summary of Written and Public Comments to the LAC

1. Neonatal Intensive Care Unit (NICU) Downgrading: Many public comments opposed the proposal to downgrade the NICU at the Holston Valley Medical Center (from Level 3 NICU to a level 1). Concerns expressed included the need for Neonatal Abstinence Syndrome care in the North East Tennessee region, high rates of infant mortality, long transport times for high risk babies, and possible separation of families between hospitals.
2. Trauma Centers Downgrading: Many public comments opposed the proposal to downgrade the Holston Valley Medical Center Trauma Center from a Level 1 to a Level 3 and the Bristol Regional Hospital Trauma Center from a Level 2 to a Level 3. Concerns expressed included increases in transit times and costs to the next nearest Level 1 or Level 2 Trauma Center, concerns about I-26 as the only interstate route to Johnson City Medical Center, risk of major disasters due to the geography and climate of the region, and increased wait times due to the decrease in service locations.
3. Increased Costs to Patients: Several comments expressed concern over increasing costs of routine healthcare at Ballad facilities directly following the approval of the COPA and the merging of the hospital systems. Other members of the public fear that costs will continue to rise as Ballad makes changes to services.
4. Decrease in Staff Pay: Several public comments addressed decreased staff pay through cuts to bonuses, hours, holiday pay, and shift differentials. Concerns expressed included cuts to staff compensations, primarily regarding those of RN's and LPN's, and that pay decreases impact the ability to attract new staff, the ability to attract specialists, and specialty certifications.
5. Relocation of Staff: Several public comments expressed concern over the decisions by medical providers to relocate out of the North East Tennessee region.
6. Transportation Issues: Members of the public expressed concern over Emergency Medical Services' increased transit time from counties farthest away from Johnson City Medical Center (e.g., Sullivan County).
7. Diversion Issues: In addition to increased emergency transit time due to a downgrade in Holston Valley Medical Center's Trauma Center and NICU, members of the public were concerned about the logistics of receiving care at a hospital that is farther away.

8. Quality of Clinical Care: Many of the public comments addressed the quality of care received by the speaker or a speaker's relative at Ballad facilities.
9. Economic Disadvantages: Many public comments mentioned what are perceived as economic disadvantages of the hospital merger to the North East Tennessee region due to reduction in competition resulting from the merger.
10. Ballad Annual Report: Two comments address the Ballad Annual Report directly. One comment requests that it be explained how the numerous committees will work together to achieve desired outcomes; it also asked that the lack of mental health peer specialists and general mental health providers be addressed. This comment commended the focus on innovative financing in the annual report. The second comment supported Ballad's plan to combine two hospitals in Greene County as one hospital with two campuses.
11. Terms of Certification (TOC): Several members of the public questioned whether the issues presented in other comments regarding access to care and quality of care violate the TOC. One public comment questioned whether Ballad's plan to attract and retain employees, while effectively reducing nursing specialty certification compensation, violates the TOC. Several members of the public questioned whether certain health care service changes comply with the TOC, including the reduction of the Bristol facility to a Level 3 Trauma Center and the relocation of the Wellmont Cancer Center.
12. Other Comments: Public comments briefly touched on a number of other topics, including but not limited to: concerns that Ballad Health did not accept certain insurances, the need for a Level 3 NICU in the midst of the Opioid Crisis and Neonatal Abstinence Syndrome cases in North East Tennessee, the intimidation of Ballad staff for speaking out against Ballad Health and the COPA, and conflicts of interest.

## CHAPTER 4

# Transcripts from the Annual Public Hearing

Full transcripts from the LAC's February 7, 2019 Public Hearing may be accessed at this link:

[https://www.tn.gov/content/dam/tn/health/documents/copa/2019.02.19\\_LAC\\_Public\\_hearing\\_transcripts\\_2-7-19.pdf](https://www.tn.gov/content/dam/tn/health/documents/copa/2019.02.19_LAC_Public_hearing_transcripts_2-7-19.pdf)

## LAC Member Comments

### **Comments on the Ballard Health Annual Report** (February 1, 2018 – June 30, 2018)

Because the COPA was issued to Ballard Health on January 31, 2018 and Ballard's fiscal year ends June 30<sup>th</sup>, the health system's first Annual Report covers only 5 months of activities. A substantial portion of the report is devoted to describing the development of plans and infrastructure building.

The LAC broke down their review into the COPA's four Public Advantage focus areas (Sub-Indices).

**Population health.** Ballard's focus on Population Health improvement is a unique part of the merger. The LAC found the plans described in the annual report extensive and ambitious. Because LAC members are also members of the community, they have directly witnessed the described plans beginning to be implemented. Ballard's Population Health Department, as the annual report indicates, has been active in the communities. Some LAC members were particularly impressed with the volume of work completed as described in Ballard Health's Annual Report to create an Accountable Care Community.

**Improving access to health care services.** According to the Annual Report, Ballard's efforts to improve health care access appear to be largely in the planning phase. One plan, regarding the realignment of services offered in the Greene County hospitals, seems to be a positive move directly resulting from the merger. Other activities mentioned, such as a new hospital in Unicoi County, have been in the works for a few years and cannot be attributed to the merger. One effort highlighted, the recruitment of new physicians, was likely work that had been ongoing with both legacy systems. It is unclear to the LAC how this work has changed as a result of the merger.

**Improve health care quality.** Ballard's Annual Report describes many initiatives that are being undertaken in individual hospitals to improve quality and lists recognitions and awards that various facilities have received during the partial year; however, it does not seem appropriate to attribute any quality achievements to the merger in such a short period of time. A significant amount of quality data were provided in the report, however they are merely baseline numbers. The quality data provided in future Annual Reports will allow the public to see trends across the various facilities. (While it is too early to tell how quality is changing by looking at the information on paper, the LAC has

received anecdotal comments from the public about quality concerns. Additionally, the Federal Trade Commission staff, in its advocacy for the state to reject the COPA, argued that with health system mergers, quality suffers while prices rise. This focus area is one that will no doubt be watched closely.)

**Improving Financial Stability and Performance.** The financial information in the Annual Report that is available to the public is on a one page brief that does not provide adequate insight. The LAC was surprised to see that Medicaid and TennCare monies are listed on that one page brief under charity care. The final observation of the LAC related to economic impacts is that in Ballad's Annual Report there is no indication that there have been any complaints from payers that Ballad Health has violated the rate cap provisions.

In summary, members of the LAC observed that Ballad's Annual Report is excessively broad and contains a lot of information that does not appear to be relevant. The LAC cautions that unnecessary information can detract from the issues that are critically important. Additionally, Ballad's report reflects more of the planning and infrastructure building that the new merged health system is engaged in, and not outcomes. Finally, Ballad made announcements regarding major consolidation plans subsequent to the period covered by the Annual Report. The public comments that the LAC received in this first year were largely related to those post-report announcements.

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### **Comments on the LAC's Annual Public Hearing** (February 7, 2019)

The LAC's Annual Public Hearing is held to allow a formal process for the public to comment on Ballad's Annual Report and the ongoing performance of Ballad Health.<sup>1</sup> The LAC held its first Public Hearing on February 7, 2019 at Northeast State Community College's Center for the Arts, in Blountville, TN. There were approximately 350 people in attendance, and roughly 40 of them spoke at the meeting. Of those 40, only two commented on Ballad's Annual Report. The vast majority of comments were regarding the health system's proposed Trauma center and NICU consolidation plans, which were announced in November of 2018.

Overall the crowd was engaged and passionate. Only comments in opposition to Ballad, to Ballad's consolidation plans, or to the COPA, were voiced. (Those with positive comments about the merger told the LAC members later that they were fearful to express their opinions in front of the highly charged crowd.)

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<sup>1</sup> Terms of Certification

EMS staff who spoke at the public hearing warned of risks associated with increased transit times for those residents in an emergency situation requiring Level I or II Trauma services. Many residents from Kingsport and Southwest Virginia expressed concern about not receiving timely care as a result of the consolidation, even for heart attack or asthma emergencies. There seemed to be general misunderstanding about what services would still be available at the Level III hospitals after the proposed consolidation plans were implemented.

The most supportive comment of the night came from a physician who said that the way Ballard planned to realign services between its two facilities in Greene County was good and that Ballard should consider doing something similar in Kingsport.

Other concerns raised at the Public Hearing include:

- Long waits in the Holston Valley Medical Center Emergency Department;
- Nursing shortages;
- Changes in pay practices (reduced benefits, reduced pay scales, and rescinded pay increases) for nurses and staff;
- Lack of input from local physicians on changes;
- Low morale among staff;
- Increased prices for health services;
- Certain insurance plans no longer being accepted at legacy facilities; and
- Negative patient experiences.

Not all of these issues sound COPA-related. In non-COPA health systems, the facility, risk-management, and billing complaints would be issues for licensure, Human Resources, and the systems' billing department to address.

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## Population Health Initiatives Fund

The Population Health Initiatives Fund is defined in the Terms of Certification (TOC) as, “account or accounts, for which the Department shall be the custodian, into which fines, certain past-due Monetary Obligations and other amounts are to be paid by the COPA Parties, pursuant to the Terms and Conditions.”

Further, Section 6.06 of the Terms of Certification states:

Population Health Initiatives Fund. The Local Advisory Council shall, on at least an annual basis in conjunction with its review of the Annual Report, review the amount of cash on deposit in and owed to the Population Health Initiatives Fund. The Local Advisory Council shall recommend to the Department how such amount should be spent within the Geographic Service Area or otherwise for the direct benefit of the Population.

**As of the publication date of this report, no funds have been paid to the Population Health Initiatives Fund due to Noncompliance with a Monetary Obligation.**

## Recommendations

Issues were brought forward by the public that may warrant investigation by the COPA Monitor. In addition, opportunities were identified by certain members of the LAC that may be useful for the Tennessee Department of Health.

### Recommendations to the COPA Monitor

1. Citizens reported **price increases** for a variety of conditions and services.

***Recommendation:** Consider reviewing Ballad's billing records to confirm that Ballad Health's Annual Report is correct with regard to global price increases. (The Annual report states that during FY18 legacy Mountain States Health Alliance entities implemented a 5% global price increase, while legacy Wellmont Health System entities did not implement a global price increase for FY18.)*

2. Several employees expressed concerned over **staffing changes**.

***Recommendation:** Consider asking Ballad for information concerning the departure of FTE's and the total number of new hires from February 1, 2018-June 30, 2018.*

3. Several complaints were made concerning reduction in **nursing specialty training and recognition** (salary differentials), caps being placed on salaried positions, unequal changes in performance raises and bonus', and changes to shift differential.

***Recommendation:** Consider reviewing Ballad's records to evaluate whether changes in employee pay and benefits complies with the TOC.*

4. At the public listening session, several attendees stated that physicians are leaving the area due to changes at the hospital.

***Recommendation:** Consider investigating retention for the last 4 years of independent groups v. hospital owned groups. Often when an independent group recruits a new physician, partnership and practice ownership is part of the equation. This arrangement not only produces a legacy for the group but also incentivizes the physician to stay in the area. Hospital employment contracts may not offer the same incentives, leading to physicians relocating to the area for limited amounts of time. While these arrangements*

may satisfy governmental quotas for these specialties, it does not build a strong network of community physicians. Additionally, consider comparing retention levels at hospitals pre-COPA and post-COPA and surveying the physicians who had left as to their reasons for leaving.

5. Members of the public noted that certain proposed health care delivery changes do not comply with the TOC, including the proposed downgrade of Bristol Regional Medical Center and the relocation of the Wellmont Cancer Center.

**Recommendation:** Consider confirming that the proposed downgrade of Bristol Regional Medical Center and the relocation of the Wellmont Cancer Center do not comply with the TOC, and if one or both do not, so advise the Tennessee Department of Health.

6. Several employees mentioned that their pay and benefits had been reduced subsequent to the merger. The TOC requires pay to be equalized across the merged health system which does not necessarily translate to all salaries and benefits packages rising to the highest level, nor to all salaries and benefits packages falling to the lowest level.

**Recommendation:** Consider reviewing the pay equalization process for reasonableness.

#### Recommendations to the Department of Health

1. Ballad Health described an Accountable Care Community initiative in their Annual Report that has the potential to make substantial improvements in population health and social factors that influence health of residents of Northeast Tennessee and Southwest Virginia.

**Recommendation:** Consider taking an active role in supporting the efforts of the proposed Accountable Care Community to improve the health of the population.

2. The number of measures in the population health plan may be too broad and too numerous for Ballad to be successful and for funding to be effective.

**Recommendation:** Consider refining to a smaller list of population health measures upon which Ballad will be scored.

3. The role and mission of the LAC has not been sufficiently clarified to the public. There were several pleas to the LAC at the hearing to not allow Ballad's plans to move forward. There seems to be a misconception that the LAC has "regulatory power" over Ballad's decisions.

**Recommendation:** Consider assisting the LAC in clarifying its role and in clarifying and communicating the LAC's role to the public.

4. People are under the impression that their local hospital can't give them any trauma, emergency, or heart care.

**Recommendation:** Consider assisting Ballard in educating the public on the types of care that their local hospital CAN provide and in better informing and engaging the public on future proposed changes in health care delivery.

5. EMS staff stated that implementing Ballard's proposed trauma consolidation plans and increasing transports times for patients in Southwest Virginia would tie up EMS personnel and ambulances, making them unable to respond to continued incoming calls.

**Recommendation:** Consider confirming that the region has (or will have) sufficient EMS resources to support any changes in demand caused by the consolidation of the Level I trauma centers.

6. During the LAC listening session, two current and one former physician reported that leadership at the hospital system did not solicit the opinion of physician stakeholders in the departments affected by policy changes and the reduction/consolidation of Level 1 trauma services and of NICU services.

**Recommendation:** Consider requesting that Ballard consult and engage the providers who would be affected by changes for their input prior to making material changes.

7. Based on feedback from the LAC's Public Hearing, residents and stakeholders do not believe Ballard Health is listening to them.

**Recommendation:** Consider encouraging Ballard to engage local stakeholders and the community in a public input process before finalizing and rolling out plans going forward and to revisit their current communication strategy.