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John J. Dreyzehner, MD, MPH, FACEOM Commissioner
Tennessee Department of Health
710 James Robertson Parkway
Nashville, TN 37243

Re: Coordination of Newborn Services

Dear Commissioner Dreyzehner,

As part of our commitment to Children's Services under the Certificate of Public Advantage, Ballad Health ("Ballad") has been evaluating the newborn services currently available in our service area. With delivery volumes declining and incidences of neonatal abstinence syndrome at record highs, it has never been more important for us to coordinate newborn healthcare resources in our community. We believe the plans set forth below are consistent with best practice, particularly the advisories of the American Academy of Pediatrics with respect to regionalization of high-risk neonatal care, align with the state's plan for regional perinatal care, and will improve the coordination and quality of newborn services and establish a sustainable model of neonate care for our region.

Description of Current Newborn Services in Kingsport and Johnson City, Tennessee

Kingsport

Prior to the merger, Holston Valley Medical Center ("HVMC") in Kingsport, Tennessee, was operated by Wellmont Health System. HVMC currently operates fifteen (15) neonatal intensive care unit ("NICU") beds which are staffed by twenty-four (24) employees. The average daily census for the NICU at HVMC is eight (8). HVMC also has fifteen (15) inpatient pediatric beds staffed by eleven (11) employees. The average daily census for these pediatric beds is three (3).

Indian Path Community Hospital ("IPCH"), located just down the street from HVMC, was operated by Mountain States prior to the merger. IPCH currently has a Level I nursery available with 20 beds to provide care to healthy, full-term babies. The average daily census for this nursery is 3.4.

Johnson City

Niswonger Children's Hospital ("Niswonger") is located approximately 24 miles from HVMC and IPMC, and prior to the merger, was operated by Mountain States Health Alliance ("Mountain States"). Niswonger currently operates fifty-six (56) inpatient neonate beds: thirty-nine (39) NICU beds and seventeen (17) special care nursery beds. These inpatient neonate beds are staffed by seventy (70) employees. The average daily census for these neonate beds is twenty-seven (27). Niswonger also has twenty (20) inpatient pediatric beds and four (4) pediatric observation beds within the facility staffed by thirty-five (35) employees. The average daily census for pediatric medical-surgical services for Niswonger is 14 with an average facility-wide daily census of forty-seven (47).

Niswonger is a component of Johnson City Medical Center, which is designated by the state as one of the few regional perinatal centers for Tennessee.

Current Challenges

Over the last year, the service area has experienced a decline in the volume of deliveries and inpatient pediatric stays. The average daily census at the HVMC NICU has gone from nine (9) to eight (8) and the average daily census for the inpatient pediatric unit at HVMC has remained at only three (3) patients for fiscal year 2017, 2018, and 2019. At the same time, the average daily census in the Niswonger NICU has also declined. Fiscal year 2016, 2017, and 2018 saw a census of 31.23, 29.38, and 26.5 respectively. The decline in volumes at both locations has led both NICUs and the HVMC inpatient pediatric unit to fall short of budget and productivity standards related to the minimum staffing requirements for service delivery.

Prior to the merger, HVMC competed with IPCH and Niswonger for neonate services in the Kingsport market. This led to redundancies of neonatologists and significant subsidies to support the duplicate coverage. Now that HVMC, Niswonger, and IPCH are all part of Ballad, there is an opportunity to align the neonate services in the Tri-Cities area with the actual demand for services. In doing this, Ballad seeks to provide coordinated, efficient care to babies born at any Ballad facility.

Proposed Plan

Several months ago, we charged a multidisciplinary group of Ballad professionals to evaluate the quality and safety of newborn care provided at our facilities and recommend a model that would improve coordination of care and efficiencies across our service area. This group included physicians and nursing leadership. After significant evaluation, the group has recommended that Ballad (1) consolidate the Level III NICU services and pediatric inpatient services previously offered at both HVMC and Niswonger at one location; and (2) implement the Newborn Care Model at all Ballad facilities.

Section 4.03(c)(i) of the Terms of Certification Governing the Certificate of Public Advantage, permits Ballad to delete or repurpose a Service Line, including neonatal services, after providing the Department at least ninety (90) days prior notice and receiving approval from the Department to proceed with the proposed action. In considering a request to delete or repurpose a Service Line, the Department may consider any negative impact of the proposed action on Public Advantage, including, among other factors, any negative impact on (i) access to healthcare services, (ii) quality of care, or (iii) the employees of the New Health System. The benefits of improved coordination of newborn services and the anticipated impacts of such plans on Public Advantage are addressed below.

1. Consolidation of the Level III NICU Services and Inpatient Pediatric Services at Niswonger

Ballad plans to consolidate the Level III NICU services and the inpatient pediatric services previously offered at both HVMC and Niswonger at Niswonger. Ballad will maintain the newborn care service NICU at HVMC as a Level 1 nursery, and continue the Level 1 nursery currently operating at IPCH in order to provide services in the Kingsport market for healthy babies that do not require specialized care.

Benefits: Realigning the Level III NICU and inpatient pediatric programs will enhance the quality and coordination of care for high risk newborns and pediatric patients. This model is supported by the literature and is consistent with the state's plan for regionalization of perinatal care for fragile infants.

Potential Impact on Public Advantage: By increasing the volume of patients and the number of specialized providers at a single site, which is the most consistent model with the state plan for regional perinatal care, the quality of newborn care is expected to increase. There will not be a reduction in force, although some team members may be asked to shift to a different facility. The staffing for these services is variable based on volumes. If volumes continue declining, the need for staff will, of course decline. However, because of the low volumes today, staffing efficiently has become extremely difficult, which is resulting in a misuse of limited resources.

2. Implement the Newborn Care Model at all Ballad Facilities

After consolidating level III NICU and pediatric inpatient services at Niswonger, Ballad plans to leverage the Niswonger consolidated resources to provide coordinated, efficient care to babies born at any Ballad facility. To ensure that newborns receive the appropriate level of care quickly and efficiently, Ballad plans to implement the Newborn Care Model described below at all Ballad facilities. Ballad has utilized the Guidelines for Regionalization, Hospital Care Levels, Staffing and Facilities for the State of Tennessee to establish a framework for care of neonates at Ballad facilities which includes:

- Locations of Newborn Services. To maximize the resources available within the health system, Ballad plans to maintain the following newborn services throughout the region:
 - One facility for Level III NICU Care (Niswonger Children's Hospital)

- Level I nurseries in the following locations:
 - Kingsport, Tennessee
 - Bristol, Tennessee
 - Johnson City, Tennessee
 - Wise County, Virginia
 - Greeneville, Tennessee
 - Abingdon, Virginia
- Policies and Procedures. Ballard will develop and implement procedures across the system to ensure that there is appropriate personnel and equipment present at each Ballard facility in the event of a high-risk delivery.
- Education and Training. Ballard will coordinate ongoing training for nursery team members (nurses and respiratory therapists) across the system. The team members will be cross-trained and educated at Johnson City Medical Center and Niswonger for intubation and resuscitation. Simulation training will be provided at each Ballard facility by the Northeast Regional Perinatal Center simulation team to refine skills and keep skills current.
- High-Risk Deliveries. The ideal care model for high-risk deliveries is the timely transfer of mothers prior to the neonate being born. However, this is not always safe or feasible. If there is an imminent high-risk delivery at any Ballard facility, the transport team at Niswonger will be notified and deployed as soon as possible with the goal to be present at that facility for the high-risk delivery.
- Telemedicine. If the transport team is not present for the high-risk delivery, telemedicine services will be offered at all Ballard facilities to link a Niswonger neonatologist into the delivery room and/or nursery location who can provide specialized assistance.
- High-Risk Neonates. Ballard plans to develop Delivery Rapid Response teams for high risk neonates. This team consists of nursing and respiratory therapy team members located in-house. These team members will be rotated through Niswonger Children's Hospital for education and training in order to maintain high-risk delivery competencies. Ballard also plans to develop a structure for in-house nurse practitioner coverage for high-risk deliveries in the Kingsport market. These mid-level providers will receive training in delivery resuscitations and can respond readily to an unexpected high risk neonate.

Benefits: With the implementation of the Newborn Care Model, Ballard will be establishing a system-wide approach to coordinated neonate services. Neonatology services that were once only available at HVMC and Niswonger will now be available through telemedicine to all Ballard facilities. Training programs will ensure that Ballard team members are prepared for high-risk deliveries when they occur.

Potential Impact on Public Advantage: The implementation of the Newborn Care Model will expand access to care. Regardless of the Ballad facility where a baby is born, that family will have access to neonatologists and appropriately trained staff, either directly or through telemedicine. This model will ensure that patients across the region receive the most appropriate level of care in the shortest amount of time. No negative impact on Public Advantage is expected from the implementation of this plan.

We are excited about this new system-wide approach to newborn care and we ask that you let this letter serve as formal notice of our plans to pursue the steps set forth above.

As always, we appreciate your consideration of this request. Please let us know if you need any additional information.

Sincerely,



Alan Levine
Chairman and Chief Executive Officer
Ballad Health

cc: M. Norman Oliver, MD, MA
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