

EMPLOYED PHYSICIAN WAIVER

WHEREAS, the Tennessee Department of Health (the "Department"), Ballad Health, a Tennessee nonprofit public benefit corporation (the "Ballad") and the common parent entity of Applicants for a Certificate of Public Advantage (the "COPA") Mountain States Health Alliance, a Tennessee nonprofit public benefit corporation ("Mountain States"), and Wellmont Health System, a Tennessee nonprofit public benefit corporation ("Wellmont") entered into that certain Terms of Certification ("TOC") dated January 31, 2018, governing the COPA;

WHEREAS, the Department approved the application of Mountain States and Wellmont for a COPA on September 19, 2017 (the "Approval Date"); and

WHEREAS, assuming all conditions are met, the Department anticipates issuing the COPA on January 31, 2018; and

WHEREAS, Section 5.05 (e) of the TOC requires that "(n)o more than thirty-five percent (35%) of the physicians practicing in any specialty at any COPA Hospital that is not a Rural Hospital at any time may be Employed Physicians," as that term is defined under the TOC (the "35% limitation"); and

WHEREAS, said Section 5.05 (e) further states that the Department agrees to waive this requirement for specific specialties upon issuance of the COPA provided that (i) Ballad, Mountain States, and Wellmont (the "COPA Parties") jointly provide to the Department a list of each specialty in which the COPA Parties collectively exceeded the 35% limitation as of the Approval Date of the TOC, and (ii) there have been no additional hires in any such specialty since the Approval Date; and

WHEREAS, the COPA Parties have provided to the Department the list of each specialty in which the COPA Parties collectively exceeded the 35% limitation as of the Approval Date of the TOC, including the specific number of Employed Physicians for each specialty, attached hereto as Exhibit A¹, and the COPA Parties have confirmed that they have not had additional hires in these specialties since the Approval Date, except as expressly identified in footnote 1 below; and

WHEREAS, the COPA Parties request that the Department execute and deliver this Waiver of the 35% limitation for each specialty listed on Exhibit A.

NOW, THEREFORE, pursuant to Sections 5.05(e) and 9.06 of the TOC, the Department hereby waives the requirement that the COPA Parties not exceed the 35% limitation on Employed Physicians for each specialty listed on Exhibit A, provided, however, that that this Waiver applies only to those specialties listed on Exhibit A and to the number of Employed Physicians set forth in Exhibit A, as of January 31, 2018.

¹ Exhibit A specifically includes (i) the physicians with whom the COPA Parties have executed Letters of Intent before the Approval Date, as set forth on the attached Exhibit B; and (ii) the physicians with whom the COPA Parties have executed Letters of Intent after the Approval Date, as set forth on the attached Exhibit C, with respect to which there is demonstrated community need.

In the event the COPA Parties desire to employ additional Employed Physicians in any specialty listed on Exhibit A, the COPA Parties must apply to the Department for a waiver in accordance with the provisions of Section 5.05(e) in advance of entering into any letter of intent or contract of employment with such additional physicians. Upon the grant of an additional waiver by the Department specifically waiving the requirement that the COPA Parties not further exceed the 35% limitation, the COPA Parties may then proceed with taking steps to employ such additional Employed Physicians.

Failure by the COPA Parties to comply with the provisions of the preceding paragraph will constitute a violation by the COPA Parties of the TOC and the Department may pursue any and all remedies permitted to it under the TOC.

Any waiver granted by the Department of the 35% limitation on Employed Physicians pursuant to the provisions of Section 5.05(e) of the TOC is based on the COPA Parties having timely provided complete and accurate information to the Department, and the Department reserves the right to withdraw any such waiver granted if it determines that the COPA Parties failed to provide complete and accurate information.

ISSUED this 31 day of January, 2018, to be effective upon the issuance of the COPA.


BY: 
JOHN J. DREYZEHNER, MD, MPH,
FACOEM
Commissioner
Tennessee Department of Health

EXHIBIT A

Physician Specialties that Exceeded 35% Employment as of the Approval Date

The below tables set forth the percentage of physicians by specialty at each Non-Rural COPA Hospital in which employment exceeded 35% as of the Approval Date.

The below tables include only actively employed physicians (current % of employed/total) who hold Active, Associate, Courtesy, or Consulting privileges at a COPA Hospital that is not a Rural Hospital.

Holston Valley Medical Center

Unique Specialties that Exceeded 35% Employment as of the Approval Date	Percentage of Physicians Employed as of Approval Date	Number of FTEs
Cardiothoracic Surgery	100.00%	2.90
Cardiovascular Disease ¹	100.00%	21.00
Endocrinology	100.00%	1.00
Gynecologic Oncology	100.00%	1.00
Hematology/Oncology	100.00%	7.00
Neurology	74.80%	3.00
Obstetrics and Gynecology	55.17%	4.00
Physical Medicine and Rehabilitation	50.00%	1.00
Pulmonary Disease	100.00%	5.50
Sleep Medicine	100.00%	1.50
General Surgery ²	92.20%	9.00
Surgery Oncology	100.00%	1.00
Vascular Surgery	100.00%	5.00

Indian Path Medical Center

Unique Specialties that Exceeded 35% Employment as of the Approval Date	Percentage of Physicians Employed as of Approval Date	Number of FTEs
Cardiovascular Disease ¹	99.00%	1.95
Hematology/Oncology	100.00%	2.00
Obstetrics and Gynecology	93.88%	11.50
Internal Medicine	80.00%	4.00
Pulmonary Disease	100.00%	2.00

Bristol Regional Medical Center

Unique Specialties that Exceeded 35% Employment as of the Approval Date	Percentage of Physicians Employed as of Approval Date	Number of FTEs
Cardiothoracic Surgery	100.00%	2.10
Cardiovascular Disease ¹	100.00%	9.50
Endocrinology	100.00%	1.00
Hematology/Oncology	85.70%	6.00
Neurology	98.00%	5.00
Internal Medicine	37.50%	3.00
Pulmonary Disease	100.00%	4.50
Infectious Diseases	100.00%	2.00

Johnson City Medical Center

Unique Specialties that Exceeded 35% Employment as of the Approval Date	Percentage of Physicians Employed as of Approval Date	Number of FTEs
Cardiothoracic Surgery	42.90%	3.00
Cardiovascular Disease ¹	47.20%	6.35
Hematology/Oncology	60.00%	3.90
Vascular Surgery	50.00%	1.00
Neurosurgery	44.40%	2.00

Johnston Memorial Hospital

Unique Specialties that Exceeded 35% Employment as of the Approval Date	Percentage of Physicians Employed as of Approval Date	Number of FTEs
Cardiovascular Disease ¹	72.20%	2.60
Hematology/Oncology	96.80%	3.00
Neurology	100.00%	2.00
Obstetrics and Gynecology	100.00%	6.00
Family Medicine	65.50%	1.90
Internal Medicine	40.00%	2.00
Pulmonary Disease	100.00%	0.20
General Surgery ²	100.00%	4.25
Vascular Surgery	100.00%	1.00
Gastroenterology	100.00%	2.00
Nephrology	63.60%	1.75
Orthopedic Surgery	71.40%	2.50
Urology	63.60%	1.75

1 Includes Interventional Cardiology

2 Includes General and Trauma/Critical Care Surgery at Holston Valley Medical Center

Franklin Woods Community Hospital

No unique specialties that require a waiver exceeded the 35% Employment threshold at Franklin Woods Community Hospital as of the Approval Date.

Woodridge Hospital

No unique specialties that require a waiver exceeded the 35% Employment threshold at Woodridge Hospital as of the Approval Date.

Exhibit B

Letters of Intent Signed Before the Approval Date

Meshell Stokes, MD

Facility: Johnston Memorial Hospital

Specialty: OB/GYN

Group: MSMG OB/GYN - Abingdon

LOI Signed: 4/24/2017

Employed Percentage in this Specialty without Recruit: 71.4%

Employed Percentage in this Specialty with Recruit: 75.0%

Brad Bauer, MD

Facility: Johnston Memorial Hospital

Specialty: Urology

Group: MSMG Urology - Abingdon

LOI Signed: 6/27/2017

Employed Percentage in this Specialty without Recruit: 42.9%

Employed Percentage in this Specialty with Recruit: 63.6%

Whitney Rich, MD

Facility: Indian Path Medical Center

Specialty: OB/GYN

Group: MSMG OB/GYN - Kingsport

LOI Signed: 8/4/2017

Employed Percentage in this Specialty without Recruit: 93.3%

Employed Percentage in this Specialty with Recruit: 93.9%

Wellmont Health System did not have any LOIs signed prior to the Approval Date that need to be addressed under Section 5.05(e).

Exhibit C

Letters of Intent Signed After the Approval Date

Rashid Mahboob, MD

Facility: Holston Valley Medical Center

Specialty: Endocrinology

Group: WMA Endocrinology LOI Signed: 12/8/2017

Employed Percentage in this Specialty without Recruit: 0.0%

Employed Percentage in this Specialty with Recruit: 100.0%

Sanjeev Gupta, MD

Facility: Johnston Memorial Hospital

Specialty: Nephrology

Group: MSMG Nephrology - Abingdon

LOI Signed: LOI Out for Signature by Physician

Employed Percentage in this Specialty without Recruit: 42.9%

Employed Percentage in this Specialty with Recruit: 63.6%

Nirav Patel, MD

Facility: Indian Path Medical Center

Specialty: Hematology/Oncology

Group: Oncology - Kingsport

LOI Signed: LOI Out for Signature by Physician

Employed Percentage in this Specialty without Recruit: 100%

Employed Percentage in this Specialty with Recruit: 100%

