



**Alan Levine**  
Chairman,  
President and Chief Executive Officer

303 Med Tech Parkway  
Suite 300  
Johnson City, TN 37604  
tel 423.302.3423  
fax 423.302.3447

[balladhealth.org](http://balladhealth.org)

November 12, 2020

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

Re: Creation of a Women's and Newborn Center in Kingsport, TN

Dear Commissioner Piercey,

In June of 2019, the Ballad Health ("Ballad") Board of Directors established a formal committee to evaluate the long-term strategic vision for healthcare services in the Kingsport, Tennessee community. Eighteen community leaders from Kingsport were asked to perform a comprehensive review of the services available in Sullivan County, Tennessee, and evaluate those services in the context of macro healthcare trends, demographic trends, utilization trends, and financial trends. After nine productive meetings, the Kingsport Visioning Committee recommended the Ballad Board implement four signature programs in the Kingsport market to improve clinical excellence. Kingsport serves not only Sullivan County but provides tertiary services to Hawkins and Hancock Counties in Tennessee and Scott, Lee, Dickenson, and Wise Counties in Virginia. The first signature program is the creation of a regional Women's and Newborn Center through the renovation of existing Family Birth Centers and expansion of clinical and non-clinical services at a single, convenient location. In order to move forward with this signature program, Ballad is requesting approval for its plans to permanently consolidate labor and delivery services at a single location in Kingsport, Tennessee. We believe the plans set forth below are consistent with best practices and will improve the coordination and quality of women's and newborn services across our region.

#### Description of Current Labor and Delivery Services in Kingsport

Prior to April of this year, labor and delivery services in Kingsport were offered at two locations: Holston Valley Medical Center ("HVMC") and Indian Path Community Hospital ("IPCH"). The two hospitals, one a legacy Wellmont Health System hospital and the other a legacy Mountain States Health Alliance hospital, are located within three miles of each other. The two facilities offer the same services to the same communities – communities with declining birth rates and an aging population. The redundancy of these services in such close proximity has presented difficult challenges for providers and staff over the last several years.

### Ongoing Challenges in the Kingsport Market

The Kingsport market has seen a decline in delivery volumes over the past three years.

<b>Deliveries</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>
HVMC	938	758	398
IPCH	715	709	823
<b>Kingsport</b>	<b>1653</b>	<b>1467</b>	<b>1221</b>

This decline, combined with the increased pressure on provider resources, nursing resources and other key resources needed to provide labor and delivery services, warranted a comprehensive review of how Ballard could best serve the needs of the community while better aligning its resources.

Many clinical, ancillary, and support services for women are available in the Kingsport market from Ballard and independent providers. However, fragmented patient navigation and care coordination currently impedes efficiency and limits the patient experience. Today, the patient is largely responsible for navigating the care system with mixed results and a less than optimal patient experience. We strongly believe a coordinated model can lead to better outcomes and an improved patient experience.

Additionally, OB/GYNs in the Kingsport market are stretched between the two facilities. It is physically impossible for a physician to be in two places at once, so doctors frequently must choose between a surgery scheduled at one location and a patient in labor at another location. Most OB/GYNs, if given a choice, prefer to perform all of their services at a single anchored location - especially for services like labor and delivery that require an emergency response. Staffing two facilities creates efficiency challenges for our existing physician partners and recruitment challenges as we look to recruit new OB/GYNs and specialists to the Kingsport market.

Important clinical resources are also duplicated across the two facilities. In a time of critical nurse and technician shortages, this duplication is placing unnecessary staffing pressures on both units. By consolidating labor and delivery services at a single location, volumes could be increased and staffing ratios could be optimized while also minimizing the duplication of expensive equipment.

### The Kingsport Visioning Committee's Proposed Plan

To address these ongoing challenges, the Kingsport Visioning Committee, together with a small task force made up of active obstetricians, high-risk maternal fetal medicine providers, and pediatricians, worked together to formulate a recommendation for coordinated women's services in the Kingsport market. The community panel included community leaders across the spectrum representing large and small businesses as well as active and retired physicians.

After significant consultation with physicians and community leaders, the Visioning Committee recommended the creation of a Women's and Newborn Center at IPCH. By consolidating labor and delivery services at a single location, Ballard will be able to offer a specialized women's center for patients and enhance the volume of deliveries providers and staff need to maintain their skills and specialization. Ballard will also be able to expand clinical and non-clinical services for women and recruit new specialists to treat patients from adolescence to maturity.

### Changes to Women's & Newborn Care During the COVID-19 Pandemic

Amidst the Kingsport Visioning Committee's work, the COVID-19 pandemic emerged as a new challenge for our community, state and country. We notified your office in April that we would be moving Women's and Newborn Care from HVMC to IPCH to accommodate a potential surge in COVID-19 cases in Kingsport and to protect the OB/GYN patients in the event of a surge. Given the impact of COVID-19 and the role HVMC has played in serving this population, the decision to consolidate the delivery services to IPCH has proven to be a beneficial decision for our patients and nursing staff, and we are grateful for the suspension which permitted us to act so swiftly. During this temporary suspension of delivery services at HVMC, the Ballad market leadership has had the opportunity to evaluate the timing associated with the development of the new Women's and Newborn Center. We believe this is the right time to move forward with this project. Patients and physicians have been utilizing IPCH as the single facility for delivery services in the Kingsport community for more than six months now. IPCH has the capacity to complete the build out of the new Women's and Newborn Center without a disruption in services or the need to shift delivery services back to HVMC for any period of time. A return to delivery services at two hospitals in Kingsport, even for a short period of time, would place a significant burden on physicians in the community, nursing resources, and could cause confusion among patients. As a result, we are requesting that your office approve the permanent consolidation of delivery services at IPCH as we build out the new Women's and Newborn Center at this location. The Ballad Board of Directors has authorized the expenditure of several million dollars toward the upgrade and improvements necessary at IPCH to enhance the patient experience – something we believe to be of value under the Terms of Certification related to spending.

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 obstetrics/gynecology 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 consolidation of delivery services at IPCH will better utilize our existing resources and enable us to expand the services offered in the Kingsport market. The benefits of improved coordination of obstetric/gynecological services and the anticipated impacts of such plans on Public Advantage are addressed below.

### Creation of the Women's and Newborn Center at Indian Path Community Hospital

At the recommendation of the Kingsport Visioning Committee, Ballad plans to invest over \$11 million to create a regional Women's and Newborn Center at IPCH – which we strongly believe meets the objective of the Terms of Certification to improve access, quality and the patient experience for newborn services – impacting women and children not only from Kingsport, but the rural region which surrounds it. The new Center will integrate labor and delivery services and expand clinical and non-clinical women's services across the continuum of care. Women represent over 50% of our regional populace and 65% of its workforce. Creating an integrated, woman-focused service platform squarely aligns with Ballad's desire to deliver a differentiated care experience. The Women's and Newborn Center will offer services from adolescence to maturity and cover well care, sick care, and recovery care. A newly established Center for Health Education for Women will include regular education opportunities from well care (e.g.

preventative care and digestive care), sick care (e.g. GYN and GYN oncology), and recovery care (e.g. pelvic floor health and behavioral health).

The investment in this project is significant. The buildout of the Family Birthing Centers at IPCH is projected to cost \$7.7 million and would begin immediately upon your approval. Over the next two years, we will work to identify and prioritize other space usage at IPCH for OB Triage, High-risk Outpatient Clinic, and other women's support services. Patient navigation and care coordination infrastructure will be designed to improve the patient experience. Ballad will work with community groups to recruit additional provider and support resources for urogynecology, gynecology oncology, and colorectal surgery. These support services and the equipment necessary to provide state-of-the-art treatment is projected to cost an additional \$3.5-4.5 million.

Benefits: This signature program will serve as a regional anchor for the delivery of personal, organized service across the care continuum, while leveraging efficiency opportunities, and delivering a single, superior standard of care. This model will create a central point of care for women in Kingsport while preserving 340B and other associated programs intended to provide support for low income populations. Consolidating services will provide providers and staff at the specialized women's center with greater volumes of deliveries and surgeries which are needed to maintain a higher level of skill and specialization.

Potential Impact on Public Advantage: By increasing the volume of patients and the number of specialized providers at a single site, the quality of obstetrics/gynecology care and experience is expected to increase. There will be no reduction in force, although some team members may be asked to shift to a different facility. Both HVMC and IPCH are well equipped to care for any emergency deliveries that may present in the ER and both facilities will be able to stabilize patients and quickly get them to the appropriate level of care. In short, we believe the creation of the new Women's and Newborn Center at IPCH will provide numerous benefits for the community and is consistent with the goals of the COPA – both in terms of service improvement and in line with the spending commitments intended to enhance the patient experience and quality of care.

We are excited about this new approach to women's health 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 & CEO

cc: Herbert H. Slatery III  
Tennessee Attorney General

Janet M. Kleinfelter  
Tennessee Deputy Attorney General

Judi Knecht, Interim COPA Director  
Tennessee Department of Health

Jeff Ockerman  
Tennessee Department of Health

Larry Fitzgerald  
Tennessee COPA Monitor

The Honorable Norman Oliver, MD, MA  
Commissioner, Virginia Department of Health

Allyson Tysinger,  
Virginia Senior Assistant Attorney General

Erik Bodin, Director, Office of Licensure and Certification  
Virginia Department of Health

Kevin Meyer  
COPA Analyst, Virginia Department of Health

Dennis Barry  
Southwest Virginia Health Authority

Tim Belisle  
EVP & General Counsel, Ballad Health

Karen Guske  
SVP, COPA Compliance Officer, Ballad Health

Claire C. Haltom  
Baker Donelson