



**STATE OF TENNESSEE**  
**DEPARTMENT OF HEALTH**  
ANDREW JOHNSON TOWER, 5TH FLOOR  
710 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243

**BILL LEE**  
GOVERNOR

**LISA PIERCEY, MD, MBA, FAAP**  
COMMISSIONER

November 05, 2020

Mr. Alan Levine  
Executive Chairman, President  
and Chief Executive Officer  
Ballad Health  
400 North State of Franklin Road  
Johnson City, TN 37604

Re: Proposed Cure for Fiscal Year 2019 Spending Shortfall

Dear Mr. Levine,

I'm responding to your letter dated October 14, 2020, written in response to the Department's notice of noncompliance regarding Ballad Health's monetary commitment for year one and our proposed remedy for the Children's Health Plan spending shortfall.

Ballad's plan to address the deficiency in its spending commitment is acceptable - with one exception. It should be clarified that the money will be placed in a designated fund and that it must be spent pursuant to a revised Children's Health Plan that is approved by the Department.

Accordingly, TDH expects Ballad to invest \$239,000 in a designated fund to be spent on new and incremental capital expenditures and operating expenses pursuant to a revised Children's Health Plan to be approved by the Department. Funds will be released with approval from Ballad Health's Chief Financial Officer.

I am pleased that agreement on a feasible remedy was reached in a swift manner. Please let me know if you have any questions or need further clarification.

Sincerely,

A handwritten signature in blue ink that reads "Lisa M. Piercey".

Lisa M. Piercey, MD, MBA, FAAP  
Commissioner, Tennessee Department of Health

**cc:**

Tim Belisle  
EVP & General Counsel, Ballad Health

Karen Guske  
SVP Ballad Health, COPA Compliance Officer

The Honorable Norman Oliver State  
Health Commissioner Virginia  
Department of Health

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

Allyson Tysinger  
Virginia Senior Assistant Attorney General

Dennis Barry  
Southwest Virginia Health Authority

Kevin Meyer  
COPA Analyst, Virginia Department of Health

Herbert H. Slatery, III,  
Tennessee Attorney General and Reporter

Janet M. Kleinfelter, Deputy Attorney General  
State of Tennessee

Judi Knecht, Interim COPA Director  
Tennessee Department of Health

Jeff Ockerman  
Tennessee Department of Health

Larry Fitzgerald  
Tennessee COPA Monitor

Claire C. Haltom  
Baker Donelson