



**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

August 25, 2021

Mr. Alan Levine
Executive Chairman, President, and CEO
Ballad Health
303 Med Tech Parkway, Suite 300
Johnson City, TN 37604

RE: Proposal to Modify the Children's Health Plan (to include Miracle Field)

Mr. Levine,

I'm writing in response to your letter dated July 6, 2021 regarding the Department of Health's (TDH) conditional approval of Ballad Health's (Ballad's) proposal to modify the Children's Health Plan to include Ballad's spending and activities related to the Miracle Field project in Kingsport, Tennessee. In this letter you ask that Ballad receive additional credit toward meeting its spending commitments, and you propose that, due to the nature of Ballad's involvement in the project, TDH accept a list of payment dates as meeting the requirement for milestones and metrics, one of the conditions of approval.

The initial decision issued June 7, 2021, included the approval of \$100,000 toward Ballad's Children's Health spending commitment for the Kingsport Miracle Field project. Your recent letter contained new information and supporting documentation demonstrating that an additional \$50,000 payment was made by Ballad following the March 17, 2021 request submission. Ballad asks in its letter that TDH consider applying this additional \$50,000 toward its spending commitment. I approve Ballad's request and agree to count the additional \$50,000 payment, which brings the total allowable spend toward the Children's Health spending commitment on this project to \$150,000.

I have also reviewed the portion of your letter that proposes using payment dates to fulfill the Department's requirement for milestone and metrics. The Department does not consider payment dates alone satisfactory for tracking the benefits delivered to the region through Ballad's monetary commitments. The monetary commitments made by Ballad Health were a critical factor in the State's determination that the COPA would produce a public advantage. The State and Ballad are responsible for demonstrating to the public the benefits the community is receiving as a result of those investments.

Additionally, it is the responsibility of the State and Ballad to ensure good stewardship of COPA community investment dollars. Therefore, awardees should be required to account for their spending of any COPA funds they receive, such as the number of people served, incremental services or benefits, actual work done, etc.

Accordingly, approval to count the \$150,000 payment towards Ballad's Children's Health spending commitment remains *conditioned* on Ballad providing to TDH a schedule of meaningful milestones and metrics for the planned activities associated with the Miracle Field project and providing ongoing updates on the achievement of those milestones and metrics on the same timeline as all other plan updates. The deadline to fulfill that condition is hereby extended to 30 (thirty) days from the date of this letter.

Thank you for the additional information you provided regarding the timing of Ballad's financial support for Miracle Field and for the opportunity to clarify aspects of our approval letter. We appreciate your involvement in this important project as well as your efforts to comply with the plan modification process.

Please let me know if you have additional questions or concerns related to these decisions.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Piercey". The signature is fluid and cursive, with the first name "Lisa" being particularly prominent.

Lisa Piercey, MD, MBA, FAAP
Commissioner

Cc: The Honorable Norman Oliver, State Health Commissioner
Virginia Department of Health

Tim Belisle, General Counsel
Ballad Health

Claire C. Haltom, Shareholder
Baker Donelson PC

Larry Fitzgerald
COPA Monitor

Janet M. Kleinfelter, Deputy Attorney General
State of Tennessee

Jim Mathis, COPA Director
Tennessee Department of Health

Judi Knecht, Population Health Program Manager
Tennessee Department of Health

Erik Bodin, Office of Licensure and Certification
Commonwealth of Virginia

Karen Guske, SVP Ballad Health
COPA Compliance Officer