



**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

December 22, 2021

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

Re: Ballad Health's Submission of Revised Exhibit B Proposal for Tennessee and Virginia

Dear Mr. Levine,

We are responding to your letter dated November 5, 2021, formally requesting the modification to Exhibit B under Section 3.06(c) of the Second Amended and Restated Terms of Certification ("TOC"). We understand that you are simultaneously requesting a similar modification from Virginia under their Letter Authorizing a Cooperative Agreement ("CA") and desire that the States align required spending under the TOC and CA as closely as possible.

Your proposed Exhibit B modifies the timing of the spending commitments to cure shortfalls and to address delay caused by the COVID-19 public health emergencies but does not alter the total amount of the commitment, nor does it alter the relative amount required under each spending plan.

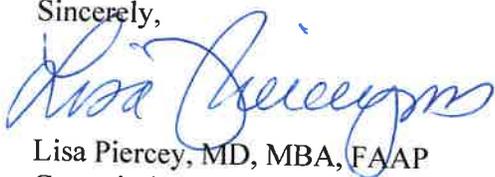
We find that the revised Exhibit B reasonably addresses the spending obligations under the TOC in view of Ballad's spend in the early years of the TOC and its commendable response to the demands of the COVID-19 public health emergency.

Therefore, we approve the replacement of the present Exhibit B in the TOC with the attached Exhibit B- Revised Tennessee Proposal. In order to best coordinate with your obligations under Virginia's CA, we have determined that Exhibit B-Revised Tennessee Proposal shall be effective as of July 1, 2022, but any qualifying expenditures towards approved plan items under existing Exhibit B may be credited by the COPA Monitor towards Exhibit B-Revised Tennessee Proposal spending requirements.

We appreciate Ballad's timely efforts to pivot back to fulfilling its monetary commitments under the TOC and look forward to the benefit these expenditures have for the citizens of Tennessee.

Please let us know if you have any questions or need further clarification.

Sincerely,



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



Herbert H. Slatery
Attorney General and Reporter

Attachment: Exhibit B - Revised Tennessee Proposal

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

Tim Belisle, General Counsel
Ballad Health

Marvin Eichorn, EVP, Chief Administrative Officer
Ballad Health

Karen Guske, COPA Compliance Officer
Ballad Health

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

Allyson Tysinger
Virginia Senior Assistant Attorney General

Kevin Meyer
COPA Analyst, Virginia Department of Health

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

Claire C. Haltom
Baker Donelson PC

Ballad Health

Exhibit B - Revised Tennessee Proposal

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	Total
Behavioral Health Services	\$1,000,000	\$2,667,000	\$0	\$9,333,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$85,000,000
Children's Services	1,000,000	1,333,000	0	4,667,000	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	\$27,000,000
Rural Health Services	1,000,000	2,000,000	0	5,000,000	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	\$28,000,000
Health Research & Graduate Medical Education	0	4,000,000	0	11,000,000	11,000,000	11,000,000	12,000,000	12,000,000	12,000,000	12,000,000	\$85,000,000
Population Health Improvement	1,000,000	1,333,000	0	6,667,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	\$75,000,000
Region-wide Health Information Exchange	0	667,000	0	1,333,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$8,000,000
Totals	\$4,000,000	\$12,000,000	\$0	\$38,000,000	\$43,000,000	\$43,000,000	\$42,000,000	\$42,000,000	\$42,000,000	\$42,000,000	\$308,000,000