



**STATE OF TENNESSEE
DEPARTMENT OF HEALTH**

ANDREW JOHNSON TOWER, 5TH FLOOR
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243

BILL LEE
GOVERNOR

RALPH ALVARADO, MD, FACP
COMMISSIONER

September 12, 2023

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

RE: Ballad Health's ("Ballad") Proposal to Modify the Health Research and Graduate Medical Education ("HR/GME") Plan to include funding for the Milligan University Simulation Laboratory ("Milligan Sim Lab")

Mr. Levine,

This letter is in response to your request to the Tennessee Department of Health ("TDH") under Section 3.06(c) of the now Fourth Amended and Restated Terms of Certification, dated July 1, 2023 ("TOC") to modify the current HR/GME Plan. The plan modification requests inclusion of \$1,000,000 paid over a three (3) year period towards the cost of developing the Milligan Sim Lab. TDH appreciates the details of the proposal provided in the April 2023 letter to you from President Greer of Milligan University.

TDH recognizes the goal of the HR/GME Plan to provide effective training and workforce and pipeline development into healthcare careers for the region. We believe the Milligan Sim Lab can expand the opportunities for the development of highly trained nurses and allied health practitioners.

The Certificate of Public Advantage ("COPA") Monitor has reviewed your submission carefully. Following his review, he has submitted his recommendation to approve the proposed plan amendment. Further, TDH notes that by letter dated July 25, 2023, the Virginia Department of Health approved appropriately vetted and confirmed expenses against the HR/GME Plan monetary commitment. In our review, we have relied upon the representations in your request regarding the benefit of the Milligan Sim Lab to the community.

It is the responsibility of TDH to ensure good stewardship of COPA community investment dollars. We note, however, that final amounts credited towards the HR/GME monetary commitment will need to meet the standards set forth in Sections 3.01 and 3.03 of TOC. We accept the milestones and metrics in your request as sufficient to demonstrate to the public the benefits the community is receiving as a result of this investment.

Therefore, **the modification request is approved, and the HR/GME Plan shall be amended as of the date of the letter to include the requested funding of up to \$1,000,000 over three (3) years towards the cost of developing the Milligan Sim Lab.** The validation of actual expenditure and final cost creditable to the HR/GME Plan will be made by the COPA Monitor in the annual HR/GME Plan expenditure reconciliation.

Thank you for your continuing efforts to serve the needs of your community and patients. TDH is confident that granting this request will provide benefits to the community as contemplated in Section 3.03 of the TOC. We appreciate this important project as well as your efforts to comply with the plan modification process.

Please let my staff know if you have any additional questions or need further clarification.

Mr. Alan Levine, President & Chief Executive Officer
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Sincerely,



Ralph Alvarado, MD, FACP
Commissioner

cc: Julie Bennett, Chief Legal Officer
Ballad Health

Marvin Eichorn, EVP, Chief Administrative Officer
Ballad Health

Karen Seiden, COPA Compliance Officer
Ballad Health

Karen Shelton, MD, Commissioner
Virginia Department of Health

Joe Hilbert, Deputy Commissioner for Governmental and regulatory Affairs
Virginia Department of Health

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

Kevin Meyer
COPA Analyst, Virginia Department of Health

Allyson Tysinger
Virginia Senior Assistant Attorney General

Larry Fitzgerald
COPA Monitor

Kevin M. Kreutz, Deputy Attorney General
State of Tennessee

Jim Mathis, COPA Director
Tennessee Department of Health

Judi Knecht, COPA Assistant Director
Tennessee Department of Health

Claire C. Haltom
Baker Donelson PC