Executive Summary

In its third year of operation under active supervision by the State of Tennessee and the Commonwealth of Virginia, Ballad Health has continued to make the gains envisioned by the legislatures of both states in terms of improving quality of care, improving access to care, maintaining rural healthcare facilities and lowering the cost of care for the citizens of the Appalachian Highlands. This report provides an overview of Ballad Health's performance and responds specifically to the annual reporting requirements required by the Terms and Conditions (TOC) of the Tennessee Certificate of Public Advantage (COPA) and the Virginia Cooperative Agreement (CA).

The full effect of the COVID-19 pandemic was felt in the Appalachian Highlands during the fiscal year 2021 (FY21) reporting period of July 1, 2020, to June 30, 2021 (the Reporting Period). During this time, 100,869 cases of COIVD-19 were reported in Ballad Health's service area, with 6,880 patients hospitalized and discharged from Ballad Health hospitals and 2,108 patients in the region who died as a result of the pandemic. Working closely with state and local elected officials, community physicians, public health professionals and first responders, Ballad Health played an important role in COVID-19 prevention by providing 44,296 first doses and 43,109 second doses of the COVID-19 vaccine and committed significant resources to help educate the public on COVID-19 during news conferences led by Ballad Health's Chief Physician Executive, Chief Infection Prevention Officer and Chief Operating Officer. These weekly, and sometimes daily, events were covered widely by print, radio, television and online news sources throughout Ballad Health's service area and beyond.

During this period, inpatient discharges increased by 0.4 percent over prior year, largely due to an increase of COVID-19 discharges estimated at 6,880 in FY21 (compared to 86 in fiscal year 2020 (FY20). Deferral of elective surgical procedures to focus on the pandemic resulted in an 8.4 percent decline in inpatient surgical cases over prior year. Surgeries continued to shift overall towards an outpatient setting. There was a significant amount of volatility in volumes related to the public health emergency and responses to the COVID-19 pandemic. In addition to limited growth in population, Ballad Health continued to experience a shift from traditional to managed Medicare, which typically has lower utilization in the inpatient setting.

Despite this strain on hospital and physician clinic resources, and although temporarily relieved by the states' departments of health of its incremental spending commitments under the COPA and Cooperative Agreement during the public health emergency, Ballad Health continued to make new investments, largely as planned, in rural health access, behavioral health, children's health, population health and clinical training, while also investing $45 million into increasing direct patient care and support staff wages and market adjustments, to remain competitive with other local, regional and national employers.

Ballad Health improved over baseline or met target on 20 of 25 Access to Care metrics and maintained baseline performance on two others during the Reporting Period. Ballad Health continues to invest in access points throughout the Appalachian Highlands. Once month after the Reporting Period ended, Ballad Health opened a new $17 million Critical Access Hospital in Lee County, Virginia, in July 2021, which had been without hospital services for nearly eight years. The hospital provides

Executive Summary

acute and emergency services, diagnostic radiology and lab services, outpatient cardiology and rotating specialty care clinics, and it served residents of Lee County, far Southwest Virginia and Southeastern Kentucky in FY21.

In September 2020, the health system opened a new pediatric emergency department at Bristol Regional Medical Center on the Tennessee/Virginia border. The pediatric emergency department, part of the Ballad Health Niswonger Children's Health Network, brings dedicated pediatric-trained staff to the patients living on both sides of the state line and reduces the need for families in the surrounding area to travel to Niswonger Children's Hospital in Johnson City for most pediatric emergency care.

At the end of the Reporting Period, in May and June 2021, Ballad Health opened Ballad Health Niswonger Children's Network Strong Futures outpatient and living centers in Greeneville, Tennessee. These programs provide comprehensive counseling, support services and a safe living environment for pregnant woman and mothers suffering from substance use disorder. The living center is designed to allow these mothers to live with their children while they work to improve their chance of recovery. This approach can prevent children from being sent to alternative placements, such as foster care or group homes.

Ballad Health's goal is to be a zero-harm health improvement organization. While scoring on quality measures was suspended under the COPA and CA by both state health departments, the health system continued to track and post facility-specific quality target and priority measures to its website on a quarterly basis to allow public access to the health system's quality data. During this Reporting Period, as a result of an exceedingly high number of COVID-19 admissions, the health system struggled with diminished supplies and staffing, which ultimately impacted quality outcomes. In the previous FY20 reporting period, Ballad Health had improved on the 2017 baseline on 13 of the 17 harm measures; during this current Reporting Period of FY21, this slipped to improvement on 10 of 17 measures.

The health system continued to address the cost of care in the region. In September 2020, Ballad Health launched the Appalachian Highlands Care Network to better manage the care of uninsured individuals in the community who are high utilizers of emergency and inpatient care. The program provides free ongoing prevention, primary care, diagnostics, emergency and inpatient services to enrolled members identified by care navigators embedded in community clinics, emergency departments and other care sites throughout the region. More than 1,700 members were enrolled by the end of the Reporting Period, with new members being added each month. Later, in June 2021, in partnership with RIP Medical Debt and local donors, Ballad Health agreed to eliminate $277,971,455 of non-governmental payor medical debt on more than 82,000 low-income patient accounts in Southwest Virginia and Northeast Tennessee – the first time in the nation a health system was able to complete such debt forgiveness, under a July 2020 DHHS Office of the Inspector General opinion. Ballad Health also launched a medical-legal partnership with the Appalachian School of Law and Virginia Tech that pairs law students with patients at Ballad Health facilities to help address legal issues that drive poor health and contribute to population health inequities such

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as insurance and other benefit denials, guardianship disputes, housing instability and so on.

Ballad Health also continued to launch new programs to improve population health. In May 2021, the first pregnant women were screened and enrolled in the Strong Pregnancies program pilot sites (Ballad Health Medical Associate Obstetrics and Gynecology in Kingsport and Greeneville, Tennessee, and ETSU Obstetrics and Gynecology in Johnson City). This program is designed to screen mothers as early as possible in their pregnancy for social risks such as housing and food insecurity, violence in the home, depression, anxiety and substance use (including tobacco). Once screened, these mothers are connected to a community health worker assigned to help resolve any identified needs by connecting enrollees to a variety of Ballad Health and community services. Post-partum, mothers and their children are enrolled in Strong Starts, which continues to navigate the family for up to five years with the goal of ensuring that mother and baby stay healthy and the child is prepared to successfully enter kindergarten. This effort is enabled by the health system's launch of the UniteVA and UniteTN community partner referral network, supported by the UniteUS technology platform (with funding support from the Virginia legislature). At the end of the Reporting Period, 43 network partners were enrolled in the network, with new members joining each month.

Regulations

The laws governing the Tennessee COPA and the Virginia CA, passed by the assemblies of each state and affirmed by their respective governors, define the policy permitting active supervision of the Ballad Health merger and identify the key measures of public benefit which any supervised merger should achieve. These policy priorities are embedded in Ballad Health's strategic and management action plans which are approved and monitored by the Board of Directors and leadership of Ballad Health. These policy priorities,as outlined in Tennessee and Virginia law, include:

- Enhancement of quality of hospital and hospital-related care;
- Preservation of hospital facilities in geographic proximity to the communities traditionallyserved by those facilities to ensure access to care;
- Demonstration of population health improvement in the region;
- Gains in the cost-efficiency and cost containment of services provided by the hospitals;
- Improvements in the utilization of hospital resources and equipment; and
- Avoidance of duplication of hospital resources.

Section 6.04 and Exhibit G of the Tennessee TOC and Virginia Code 15.2-5384.1 and Title 12 Virginia Administrative Code 5-221-110 require submission of an annual report determining continued benefit of the merger to the public. In early March of 2020, the governors of Tennessee and Virginia both declared a "State of Emergency" due to the COVID-19 pandemic. Subsequently, each Commissioner of Health notified Ballad Health of temporary suspension of select provisions of the Tennessee TOC and the Virginia CA, including certain reporting requirements during the State of Emergency, allowing Ballad Health leadership and team members to focus on the pandemic response. Therefore, this FY21 annual report covering the period from July 1, 2020, through June 30, 2021, the Reporting Period, is being submitted.

Executive Summary

The Process

In compiling the information and materials for this Annual Report, the Ballad Health COPA Compliance Office identified the departments responsible for gathering and preparing these materials. Leaders of the departments (Responsible Parties) were identified and given responsibility to submit the required materials and information. The COPA Compliance Office requested each of the Responsible Parties to certify, to their knowledge and belief after due inquiry, that Ballad was in compliance with the TOC and CA for their areas of responsibility for the Reporting Period and that any materials they provided for inclusion in this report were complete.

Reporting Requirements

The annual reporting requirements in this report cover topics such as Clinical Council and quality measures, the patient satisfaction survey, cost efficiency steps taken, Ballad Health-sponsored residency programs, academic and non-academic partnerships, comparison of financial ratios, charity care information and plan updates. Ballad Health fulfilled all of its other reporting requirements of the TOC and CA, and a summary of those submissions is provided in the COPA Compliance Office FY21 Annual Report.

Notable items are listed below which contribute to the policy priorities established in law:

- Ballad Health reopened Lee County Hospital on July 1, 2021, and it was designed a critical access hospital shortly thereafter.
- Ballad Health has invested heavily in its relationship with academic institutions – East Tennessee State University (ETSU) in particular - in the furtherance of training, research and healthcare workforce. Examples include, but are not limited to:
    - **ETSU Center for Rural Health Research** – $1.5 million. The second year of this Center saw significant growth in the faculty and mission. Dr. Michael Meit was hired as director, and with him came a wealth of knowledge in rural health disparity and needs assessment. This hire and others positioned the Center for future growth and emergence on the national stage.
    - **Ballad Health Strong Brain Institute**– $250,000. Many of the goals of this Center were hampered by the inability to provide training and support for trauma-informed care and Adverse Childhood Experience (ACEs) programs. This Center provided many online resources and virtual educational classes and worked to develop certificate programs in ACEs and trauma-informed leadership.
    - **Medical Legal Partnership**- $500,000. In the less than one year that this program has been in existence, we have seen its impact already. Focusing on addressing many of the social determinants of health, such as housing and food insecurity, domestic violence support and assistance in gaining government assistance, the program was rolled out in all of the Virginia-based Ballad Health hospitals by the end of the fiscal year and the majority of the Tennessee facilities. The MLP even hired a lawyer to staff in-person

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consultations at Ballad Health hospitals. Appalachian School of Law developed a new class titled "Poverty in Health and Law" and offered it to their own students, Ballad Health residents and students and students at the Pamplin School of Business at Virginia Tech University.

  - Finally, even with the pandemic, Ballad Health, through the **Appalachian Highlands Dental Clinic**, still managed to care more than 1,000 people in need across Southwest Virginia and some in Northeast Tennessee.

- The Ballad Health Clinical Council and its sub-committees continued its journey towards becoming a zero harm organization.
- The Ballad Health Safe at Home program was developed to assist COVID-19 patients who may not need in-patient care at a Ballad Health facility but would benefit from at-home monitoring. This program was created so that all patients can get the care they need, while also conserving hospital beds for those who need them.
- 99.7 percent of the Ballad Health's patient population is within 10 miles of an urgent care facility or emergency department (increased by nearly 1 percent over baseline).
- Quality Target Measures were met with significant challenges due to the onset of COVID-19. In addition to exceedingly high numbers of COVID admissions, the system struggled with diminished supplies and staffing, which impacted our quality outcomes. Even with those challenges, Ballad Health met nearly 60 percent of the target measures.
- Ballad Health is meeting the Centers for Medicare & Medicaid Services (CMS) hospital price transparency requirements under section 2718(e) of the Public Health Service Act. As such, Ballad gross charges are publicly available on its website. https://www.balladhealth.org/patients-visitors/price-estimator-standard-charges
- Ballad Health achieved cost savings of $8.2 million in supplies (which were directly used to support care for uninsured and charity patients) and $6.2 million in cost savings through standardization of purchased services contracts.
- There was a significant amount of volatility in volumes related to the public health emergency and responses to the COVID-19 pandemic. COVID-19 discharges increased to an estimated 6,880 in FY21 from 86 in FY20, while deferral of elective surgical procedures to focus on the pandemic resulted in an 8.4 percent decline in inpatient surgical cases over prior year.
- Aldo Noseda, Vice President and Chief Information Officer for Eastman Chemical Company, joined the Ballad Health Board of Directors in October 2020. He replaced longtime board member Barbara Allen whose term had concluded. Aldo serves as the chair of the Information Technology Strategy Committee.
- Ballad Health spent over $22 million on investment in Population Health, Children's Health, Behavioral Health Rural Health and Health Research Graduate Medical Education even though the spending commitments were suspended for the Reporting Period.

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COPA Compliance Reporting Requirements

The COPA Compliance Office reporting requirements are part of the COPA Compliance Office Annual Report and were certified by Ballad Health's COPA Compliance Officer. This report covers topics such as the COPA Compliance Complaints Report, a forecast of expenses and a work plan. Ballad Health fulfilled all of the reporting requirements of the COPA Annual Report.

Notable compliance related items from this year's COPA Annual Report include:

- Tennessee and Virginia were notified of a Force Majeure event resulting in a Material Adverse Event in March 2020 relating to the COVID-19 pandemic. Subsequently, select sections of the TOC and CA were temporarily suspended by both Departments of Health. That temporary suspension remained in effect for all of FY21.
- Ballad Health maintains a systemwide code of ethics, which requires mandatory compliance by all team members, including compliance with the section referencing the TOC and the CA. All team members are provided annual training and are required to report any non-compliance and are provided the means and mechanism by which to do so, including anonymously.
    - During the Reporting Period covered by this report, there were no COPA complaints filed with the COPA Compliance Office.
- During the Reporting Period, one waiver request that was pending at the end of FY20 was approved and four waiver requests were submitted, with three approved and one pending as of the end of FY21.
- There were communications to the state and the commonwealth for notification of spending shortfalls around FY19 and FY20 plan spend during the Reporting Period.
- Ballad Health spent just more than $80 million in FY21 for Charity and Unreimbursed TennCare and Medicaid. While below the projected baseline from fiscal year 2017, this significant spending was impacted by the material decline in volumes tied to efforts by Ballad Health and area physicians to improve value, an increase in Medicaid reimbursement from TennCare and Virginia Medicaid, andthe ongoing expansion of Medicaid in Virginia. The volume declines have been further accelerated by the COVID-19 pandemic. There have been no assertions or complaints that Ballad Health is not in compliance with its charity policy. The TN COPA Monitor issued a waiver letter for FY21 Charity Care.
- Tennessee and Virginia were notified of a Material Adverse Event on March 19, 2021 of the Tennessee Supreme Court's ruling declining to review the appellate court's decision *Highlands Physicians, Inc., v. Wellmont Health System*, No. E2019-00554-COA-R3-CV.

Ballad Health Annual Report

Reporting Period:
July 1, 2020 – June 30, 2021

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Annual Report for Fiscal Year 2021

Covering 07/01/2020 – 06/30/2021 ("Reporting Period")

Submitted pursuant to the Third Amended and Restated Terms of Certification (July 1, 2022) Governing the Certificate of Public Advantage Issued to Ballad Health Pursuant to the Master Affiliation Agreement and Plan of Integration by and between Wellmont Health System and Mountain States Health Alliance (the "TOC") and the Virginia Order and Letter (October 30, 2017) Authorizing a Cooperative Agreement (the "CA").

CERTIFICATION OF COMPLIANCE WITH THE TOC AND THE CA

Pursuant to section 6.04(a) of the TOC and Conditions 39 and 40 of the CA, the undersigned hereby certify the following report and its attachments are true and correct to the best of his/her knowledge after due inquiry and are accurate and complete.

10-21-22

Alan Levine
Chairman, President and CEO
Ballad Health

Date

10-21-2022

Lynn Krutak
Executive Vice President
Chief Financial Officer
Ballad Health

Date

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Ballad Health Abbreviation Key

Abbreviation	Full Name
APP	Abingdon Physician Partners
BRMC	Bristol Regional Medical Center
BRMMC	Blue Ridge Medical Management Corporation
CHC	Community Home Care
CVA	Cardiovascular Associates
DCH	Dickenson Community Hospital
DME	Durable Medical Equipment
FWCH	Franklin Woods Community Hospital
GCH	Greeneville Community Hospital
GHE	Greeneville Hospital East
GHW	Greeneville Hospital West
HCH	Hancock County Hospital
HCMH	Hawkins County Memorial Hospital
HVMC	Holston Valley Medical Center
IPH	Indian Path Community Hospital
ISHN	Integrated Solutions Healthcare Network
JCCH	Johnson County Community Hospital
JCMC	Johnson City Medical Center
JMH	Johnston Memorial Hospital
LCCH	Lee County Community Hospital
LMG	Laughlin Medical Group
LPH	Lonesome Pine Hospital
MSMG	Mountain State Medical Group
MVRH	Mountain View Regional Hospital
NsCH	Niswonger Children's Hospital
NCH	Norton Community Hospital
NCPS	Norton Community Physicians Services
RCH	Russell County Hospital
SCCH	Smyth County Community Hospital
SNF	Skilled Nursing Facility
SSH	Sycamore Shoals Hospital
UCMH	Unicoi County Memorial Hospital
WCS	Wellmont Cardiology Services
WH	Woodridge Hospital
WMA	Wellmont Medical Associates

List of Attachments

ANNUAL REPORT

Requirements. Section 6.04 and Exhibit G of the Tennessee TOC[1] and Virginia Code 15.2-5384.1 and Title 12 Virginia Administrative Code 5-221-110 require Ballad Health (Ballad) to submit an annual report determining continued benefit of the merger to the public. In Tennessee, Ballad is scored annually to determine continued public benefit. Scoring under section 7.01. Index and Sub-Indices of the TOC was suspended during the COVID-19 public health emergency. Scoring resumes on July 1, 2022. In Virginia the letter authorizing cooperative agreement provides that the Commissioner evaluates Ballad against the Virginia CA Conditions[2] as to whether the benefits of the merger outweigh the possible disadvantages.

As a result of the COVID-19 pandemic, which met the definition of a Material Adverse Event (MAE), and the unique circumstances the pandemic imposed on the health system, the Tennessee and Virginia Commissioners of Health temporarily suspended certain provisions of the TOC and CA, respectively, allowing Ballad executives and team members to focus on the pandemic response. Therefore, this fiscal year 2021 (FY21) annual report covering the period from July 1, 2020 through June 30, 2021 is being submitted.

Description of Process. In compiling the information and materials for this Annual Report, the Ballad COPA Compliance Office identified the departments responsible for gathering and preparing these materials. Leaders of the departments (Responsible Parties) were identified and given the responsibility to submit the required materials and information. The COPA Compliance Office requested each of the Responsible Parties to certify, to their knowledge and belief after due inquiry, that Ballad was in compliance with the TOC and CA for their areas of responsibility for the Reporting Period and that any materials they provided for inclusion in this report were complete.

Deliverables.

A. Facility Maintenance and Capital Expenditures – TOC Section 3.07(b), Exhibit G

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the Fiscal Year 2023 (FY23).

B. Career Development Plan – TOC Section 3.08(c), 6.04(b)(xvii) and Exhibit G / CA: Condition 22

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

C. Clinical Council – TOC Section 4.02(b), 4.02(b)(v), 6.04(b)(xi) and Exhibit G / CA: Condition 45

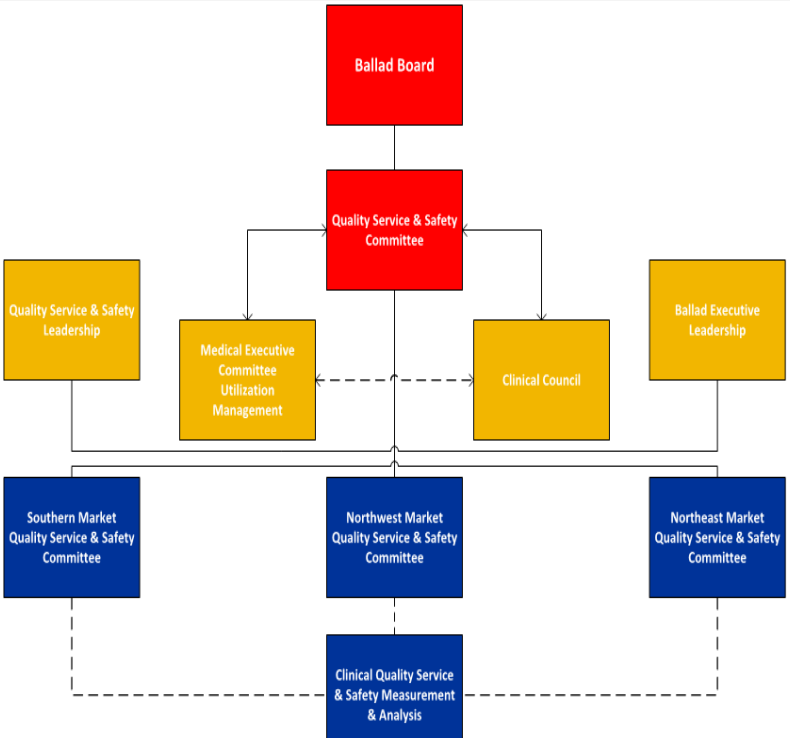
- FY21 accomplishments for the Committee include:
- The Clinical Council charter stipulates responsibility for the following:
    - Promoting and ensuring a culture of collaborative, evidence-based care.

[1] https://www.tn.gov/health/health-program-areas/health-planning/certificate-of-public-advantage.html
[2] https://www.vdh.virginia.gov/licensure-and-certification/cooperative-agreement/

- Prioritizing quality, service and safety improvement activities and establishing clear expectations to promote and improve health outcomes and patient safety.
- Promoting high-value care that is supported by the evidence and not duplicative.

- Promoting a transparent and non-punitive environment for reporting and evaluating patient safety and harm incidents.
- Giving guidance to the Quality, Service and Safety Committee regarding credentialing and privileging.

- The Clinical Council is aligned with the Ballad Health Board and the Board's Quality, Service and Safety Committee. The Council assisted in establishing key quality and patient safety priorities considering risk, volume, propensity for problems (including incidence, prevalence and severity), and impact on health outcomes, patient safety and quality of care.
- Tiered Safety Huddles continue to be an essential communication tool that establishes a process at all levels of the organization to improve transparency in resolving patient harm and safety concerns. This process enables corporate leaders to strategize and implement solutions that address safety and other concerns. Engaging leaders at all levels helps develop a culture of safety and zero harm.



- The Quality, Safety and Service Committee clinical priorities set for FY21, along with the 17 quality target measures established by the conditions of participation are:
  - Quality: Sepsis, Emergency Department Throughput, Readmissions – Heart Failure and Pneumonia, Mortality – Heart Failure and Pneumonia and focus on 1-2 of our priorities for IBM Watson metrics
  - Safety: C. diff, CAUTI, CLABSI, MRSA, Surgical Safety

- Service: HCAHPS

- FY21 accomplishments for the Clinical Council include:
  - Reviewed the Mission and Goals of the Clinical Council as well as key aspects of the Charter and responsibilities of the Clinical Council, including sharing the FY21 priorities and immediate plans including: Continued Integration with Board Quality; and Subcommittee Chairs to reconvene.
  - Ballad Health Chief Operating Officer (COO) shared the COVID Predictive Monitoring plan with three different scenarios for behavior modification, including the implementation of social distancing, the use of masks, limited travel, and the potential impact of each scenario system wide. Two surge plans in place include: Surge Plan 1 – which will increase to 165 designated COVID beds; Surge Plan 2 – which will increase to 215 – 220 designated COVID beds. Anything beyond Surge Plan 2 could impact elective cases. It was noted that the goals are to have no disruption to basic cases or the care patients receive in the region. A scorecard was created and shared daily on social media and the Ballad Health website throughout the region. The scorecard included total positive cases, total deaths, positivity rate and total Covid beds for the past seven days, total hospitalized patients, those patients under investigation (PUIs), and beds available, in addition to the total Intensive Care Unit (ICU) patients and patients on the ventilator.
  - A subgroup of obstetric physicians across the system was created to develop a Ballad Health Obstetrics Policy due to differences between the legacy systems, as well as throughout Tennessee: Medical Screening of the Obstetric (OB) Patient in the OB setting; Medical Screening of the Obstetric Patient in the emergency department setting; and Trial of Labor After Caesarean Delivery.
  - Centers for Medicaid and Medicare Services (CMS) requests that the State Board of Nursing be approved in the scope of practice to serve as a qualified medical screening provider following a demonstration of competency to assess for active labor. A competency checklist was developed. A list of nursing providers meeting the competency in each facility will be sent to the individual hospital's Medical Executive Committee (MEC) for approval. Each quarter, new nurses with the competency will be sent to the MEC, then Quality Committee for approval and recognition for those permitted to screen in the specific facility.
  - A committee of physicians within the system, nursing leadership, and community members was formed to define the Ballad Health Scarce Resource Allocation policy. The Clinical Council requested the MEC to nominate the Chief Medical Officer (CMO), Chief Nursing Officer (CNO), and Medical Staff President of the respective market facilities to serve as the initial market triage teams in the NE, NW, and combined SW/SE markets and then ratify these nominations.
  - Ballad Health's Chief Clinical Officer delivered a presentation on the Ballad Health Initiative to become an IBM Watson Top Decile Health System. Clinical Council members not already participating in the Task Force were encouraged to participate in upcoming meetings.
  - The Associate Vice President (AVP) of Infection Prevention presented a standardized plan for team member distribution of the COVID vaccine. It was noted that the vaccine would have required documentation, temperature requirements and time limits for administration.

- A letter going out to the community was endorsed by the Clinical Council encouraging adherence to social distancing and mask usage. The letter was released to all media outlets, local newspapers, etc.
- Information was shared in collaboration with the Ballad Health Operations and the Clinical Council, to focus on cultural safety. It was noted that the organization wants to move towards creating a culture for system design thinking and focus on the management of behavioral choices. While the focus will currently be fighting COVID-19, there will also be a devoted focus on the just culture and culture of zero harm.
- MD Professionalism and Ethics in a Zero Harm Environment was discussed.
- Recommendations were made to develop a Women's and Pediatric subcommittee which would report to the Ballad Health Clinical Council
- Ballad Health, Chief Operating Officer (COO) discussed the "Safe at Home" program which could allow COVID positive patients to stay home with telemedicine support and equipment to enable at-home testing. More than 500 have been enrolled, with 370 active, likely saving approximately 200 hospital admissions.
- Information was shared on program goals on a project for Post-COVID services.
- The Ballad Health Chief Executive Officer (CEO) provided a system update, stressing that the current concern is caring for the patients who present to the hospital due to staffing and resources. It was noted that the deferral of elective procedures had made a substantial financial impact on the healthcare system. The Clinical Council members were encouraged to email him with thoughts on providing resources and support to the nursing staff and providers.
- The final proposal was reviewed of the Clinical Council Membership structure that has been presented to the Quality Safety and Services Committee. The new structure revisions include 30 voting members, eight voting members in every market, one- East Tennessee State University (ETSU) member, and four-BHMA members (two Ambulatory; two Others; one-BH CVA).
- The Ballad Health Quality Plan for Fiscal Year 2022 (FY22) was reviewed and approved by the Quality Safety and Services Committee and Clinical Council in May 2021.

The established subcommittees of the Clinical Council are:

<u>High Value Care/Evidence Based Medicine Subcommittee</u>

Purpose: To prioritize efforts to promote high-value care supported by evidence that is not duplicative and is truly necessary. The subcommittee will lead efforts to teach, optimize and operationalize safe clinical practice and reduce unwarranted clinical variation across Ballad.

- FY21 accomplishments for the subcommittee include
  - CKD@345: Vein Preservation in CKD Stages 3, 4, 5 – pilot rollout July – August at JMH and HVMC; Physician Champion
  - Drop the Preop: Reduction in Preop Lab Testing
  - Draw the Line: Reduction in Lab Utilization; Physician Champions
  - CLABSI Reduction: Ongoing Joint System-wide efforts
  - The approved Antimicrobial Stewardship FY21 Goals were presented: Decrease inappropriate vancomycin usage; Decrease inappropriate use of anti-pseudomonal beta-

lactams; Decrease antibiotic usage and asymptomatic bacteriuria; Limit anti-infective treatment courses for the shortest effective duration
    - Physician-led Task Forces met in February; Physician champions are being identified throughout the system to assist with reducing lab utilization.

Pharmacy and Therapeutics Committee

Purpose: To oversee the effective and efficient operation of the medication use process (evaluation, appraisal, selection procurement, storage, prescribing, transcription, distribution, administration, safety procedures, monitoring and use of medication as consistent with The Joint Commission Medication Management Standards; and to assist in the formulation of broad professional policies relating to medications throughout Ballad to decrease variability in practice and improve patient outcomes.

- FY21 accomplishments for the Committee include:
    - An update was provided on the P&T Subcommittee Formulary medication review.
    - The following goals were shared for the subcommittee: Maintenance of drug formulary based on evidence-based evaluation and pharmacoeconomic assessment; Develop evidence-based clinical practice guidelines; Continuous medication use evaluation (MUE) projects; Address drug product shortages in a timely manner.
    - The High Alert Medication Policy and Procedure for the I-On-Care list were updated to reflect changes to the Ballad Health Formulary.
    - Current recalls, drug shortages, and drug discontinuations were presented to the Council.
    - The Council's goal for the treatment of COVID is to standardize the treatment across all facilities in the system.
    - Monoclonal antibodies were approved for adults, awaiting approval by the pediatric subcommittee for pediatric patients.
    - The Pediatrics subcommittee reviewed recommendations: Do not allow the use of tramadol for pediatric patients < 12 years or for any children 12 -18 years post-tonsillectomy or adenoidectomy. He also addressed standardization across the system regarding the concentration of furosemide continuous infusions to 100mg in 60 mL and approved the standardized crash cart list for all Ballad facilities.

Patient, Family and Provider Experience Subcommittee

Purpose: To provide the "ultimate patient experience" at Ballad facilities and clinics.

- FY21 accomplishments for the subcommittee include:
    - Reorganize into practice site/type workgroups
    - Identify High-Value Indicators to drive improvements
    - Assembled small workgroups of practitioners by type to address:
        - Inpatient care (hospitalists, then expand by sub-specialty – target HCAHPS)
        - Emergency department care – target Press Ganey Survey/Time Record
        - Ambulatory surgical care - target OASCAHPS (Outpatient and Ambulatory Services)
        - Physician Well-Being (to be added)
    - Clinical Council members were sent an e-mail requesting participation in revamping the Patient Family/Provider Experience. Information was shared that the subcommittee will

be divided into specific areas of the emergency department, inpatient facilities, and outpatient ambulatory surgery. They would like to have input from physicians to improve the process.

- The following goals were reviewed for the subcommittee: Improve patient perception of communication skills of providers and understanding of treatments and medications in the inpatient, emergency department, and outpatient/ambulatory care setting; Identify and deploy strategies to support a culture of safety for providers, team and patient; Create practice environment conducive to produce physician/provider engagement including physician input strategies; Enhance patient-centric communication through a partnership with nursing; Create efforts to reduce provider burnout/fatigue working in conjunction with physician executives to identify strategies to support providers
- HCAHPS Performance Information was reviewed from July – March 2021, with Top Box and Corresponding Rank and the top three drivers for the Council
- Dashboards have been created to track metrics related to the Patient, Family and Provider Experience Subcommittee. The Committee is also working on other indicators concerning nurse communication, developing the new patient bundle and integrating it into all three settings.

<u>Medical Staff Services Subcommittee</u>

Purpose: The medical staff subcommittee of the Clinical Council is to promote the effectiveness, efficiency, and well-being of the medical staff and to identify, evaluate and make proposals for action and policy to the Clinical Council on medical staff issues.

- FY21 accomplishments for the subcommittee include:
  - Medical Staff Services members recommend Clinical Council endorsement to add Royal Canadian board certification to the approved boards required to apply for privileges in Ballad Health.
  - Recommendations were requested for the Clinical Council's support to move forward with the previously approved policy regarding reappointment fees and eLearning Waiver.
  - The Telemedicine Category and Telemedicine Privilege policies were vetted by the MECs and will be sent to the Quality, Safety and Services Committee for review and approval
  - Information was reported that telemedicine had been endorsed by the Ballad Health Corporate Emergency Operations Center (CEOC) when appropriate if a psychiatric patient needs care within an acute care facility or for medical stabilization before an acute inpatient psychiatric stay. Telepsychiatry will be discussed with the hospital MECs, but there is no formal action required by Clinical Council at this time.
  - The following goals were provided for the subcommittee: Telemedicine privileges for Advanced Practice Providers (APPs); Telemedicine development for physicians; Update testing and certification for procedural sedation; Request from Norton Community Hospital regarding the 30-mile distance of residence while on night call supervising residents; Address additional issues as customarily requested by MECs and various departments.

- The subcommittee report noted further discussions related to procedural sedation, merging policies and procedures for requesting new privileges, and revisiting work regarding bylaws updates.
- It was reported that Telemedicine for Allied Health Providers policy is in MEC review; a policy for requesting new procedures/technology is in development, and discussion continues for Computer-Based Learning (CBL) in HealthStream for continuing medical education (CME) and Reappointment

Surgical/Perioperative Services Subcommittee

Purpose: To provide leadership and oversight in the perioperative environment. The subcommittee is a multidisciplinary team that addresses issues impacting the quality and safety of the care provided to surgical patients.

- FY21 accomplishments for the subcommittee include:
  - Enhanced Recovery after Surgery (ERAS) facility teams are in place at the facilities.
  - Working on a protocol to implement across the system that can be applied at any level of facilities doing colon surgeries and can easily be translated into other surgical specialties to assist with their ERAS needs.
  - The Ballad Health Medical Associates CEO (BHMA) noted the recommendation to remove antibiotic irrigation from the formulary for wounds. He noted that research shows that antibiotic irrigation shows no benefit in preventing surgical site infection. There are some exceptions; however, irrigation with only saline is generally recommended. Clinical Council approved the surgical irrigation recommendation.
  - The Holston Valley Medical Center (HVMC) Chief Medical Officer (CMO) provided the following goals on behalf of the Surgical/Perioperative Services Subcommittee: ERAS expansion with recruitment of surgical champions in the respective specialties; Systemwide review of Surgical Peer Review processes, including returns to the OR; Recurring evaluation of surgical transfers outside Ballad on time starts; definition and unification of approach; Monthly SURPASS (Surgical Patient Safety System) update to disperse information to teach facilities regarding proposed changes.

Clinical Informatics Subcommittee

Purpose: To prioritize efforts aimed at improving the creation, usability, and exchange of health information through Ballad's Electronic Health Records (EHRs) and related solutions.

- FY21 accomplishments for the subcommittee include:
  - Present a new best practice advisory (BPA) "At discharge for patients with a new low trauma "osteoporotic fracture".
  - Present new BPA for Inpatient Behavioral Health: to meet The Joint Commission (TJC) Hospital Based Inpatient Psychiatric Services (HBIPS) measures for prescribing more than one antipsychotic at discharge
  - Add LEXI-Comp link to Physician Dashboard in Epic to ensure regulatory compliance.
  - Provider User Templates to Show "Buttons" on the Patient List Screen for "Add Patient" and "Remove Patient"
  - Request to allow Residents/Providers the ability to share their "MyList" with other providers

- Including the "Ambulatory Snapshot" dropdown list of reports available to the Patient List page for all
- An update was provided on the Epic go-live that begins October 2, 2020. He noted tip sheets and hard stops had been developed when appropriate
- Epic Go-Live Successes and Opportunities were reviewed with the Council
- The following goals of the subcommittee were reviewed: Serve as project advocates; Promote the value of clinical system initiatives to the medical staff community; Ensure clinical adoption of the EHR; Promote engagement and collaboration of the active medical staff; Promote decreased variation of clinical content and process to reduce variation and improve outcomes and quality
- A review was shared of the current Epic Projects: Blood Product Administration Module, Order Set Review, Epic Sepsis Predictive Model, ERAS/Epic Clinical Pathways and the Windows 10 Update.

<u>Opioid Task Force Subcommittee</u>

Purpose: To provide oversight of controlled substance therapy at Ballad Health entities and to promote the safe use of controlled substances within the communities it serves.

- FY21 accomplishments for the subcommittee include:
  - This task force aims to improve how pain is managed, not just by decreasing opioid prescribing.
  - Epic rollout to outpatient clinics/pain management protocol-Banner Elk, NC (July 2020), Pediatric Neurology
  - Dr. First vs. Surescripts for medication reconciliation is being discussed
  - Overdoses on the rise in the shadow of COVID-19
  - Order sets and protocols have been developed within Epic for inpatient prescribing, reducing the harm associated with pain management and pain therapy.
  - The following goals were provided for the Subcommittee: Develop metrics and implement the metrics through Epic; Review committee structure to improve the effectiveness.
  - It was proposed that the Opioid Task Force be absorbed by the Women's and Children's subcommittee due to the evolving state of the opioid epidemic.

<u>Strategic Planning/Care Transformation Subcommittee</u>

Purpose: To provide innovative and strategic leadership to transform care delivery.

- FY21 accomplishments for the subcommittee include:
  - The Committee is exploring the probably changing landscape of healthcare due to COVID 19
  - Looking to use telemedicine to enhance care for those who do not have easy access to care due to geographic locations
  - Subcommittee chairs will be invited to share specific and prioritized initiatives for their group while evaluating common themes which may assist with achieving the strategic goals.

<u>Women's/Children's Subcommittee</u>

Purpose: To develop a formalized structure for physician engagement that fosters a multidisciplinary approach to improving clinical care while also addressing the regional challenges that negatively impact health. The Pediatric Advisory Council, Women's Health Advisory Council (Maternal) and Northeast Regional Perinatal Center will be subcommittees of Women's and Children's.

- FY21 accomplishments for subcommittee initiated on February 3, 2021, include:
  - Established expectations regarding monthly subcommittee meetings; reviewed the elements of the Pediatric and Women's Advisory Council; provided Initial Focus areas; developed Population Health metrics and Community Partnership Projects
  - The subcommittee is working toward integrating the Opioid Task Force into the subcommittee

D. Integrated Delivery System Measures/Data – TOC Section 4.02, 4.02(c)(i), 3.02(d), 6.04(b)(xvi) and Exhibit G / CA: Condition 33, 36

These items were suspended during the Reporting Period; however, Ballad wishes to highlight the following Access and Population Health Measures activity during the suspension period for the Department's visibility and information.

FY21 Access Measures

The Access to Care and Population Health metrics have been the subject of ongoing discussion with the states through the joint Metrics Workgroup. In the meantime, Ballad has continued to internally track performance for 25 of the 28 access measures. No agreed-upon real-time data sources exist for three of the measures: Specialist Recruitment and Retention (this was proposed in the Physician Needs Assessment supplemental information provided on July 31, 2019), Personal Care Provider, and Prenatal Care in the First Trimester.

Access Measure Data Table

#	Measure	Provision of Data	Baseline	FY21 Results	Source
Characteristics of Health Delivery System					
1	Population within 10 miles of an urgent care center (%)	Ballad	80.5%	82.3% (improved)	Census + Facility Address at Census Block
2	Population within 10 miles of an urgent care center open nights and weekends (%)	Ballad	70.3%	71.5% (improved)	Census + Facility Address at Census Block
3	Population within 10 miles of an urgent care facility or emergency department (%)	Ballad	98.9%	99.7% (improved)	Census + Facility Address at Census Block
4	Population within 15 miles of an emergency department (%)	Ballad	97.3%	97.3% (maintained)	Census + Facility Address at Census Block

5	Population within 15 miles of an acute care hospital (%)	Ballad	97.3%	97.3% (maintained)	Census + Facility Address at Census Block
6	Pediatric Readiness of emergency department	Ballad	66.7%	75.0% (improved)	Survey tool created by NEDARC
7	Appropriate Emergency Department Wait Times (%)	Ballad	40.7%	47.5% (improved)	NHAMCS, CDC/NCHS
8	Specialist Recruitment and Retention	Ballad	Unavailable - Proposed Definition		
Utilization of Health Services					
Primary Care					
9	Personal Care Provider	TN	Unavailable		BRFSS
Appropriate Use of Care					
10	Preventable Hospitalizations – Older Adults	TN: Ballad is tracking through the state database	72.2	37.9 (improved)	HDDS
11	Preventable Hospitalizations –Adults	TN: Ballad is tracking through the state database	25.6	17.5 (improved)	HDDS
Secondary Prevention (Screenings)					
12	Screening – Breast Cancer	TN: Ballad is tracking internally	74.1%	79.3% (improved)	BRFSS (unavailable so based on Ballad BHMA data)
13	Screening – Cervical Cancer	TN: Ballad is tracking internally	63.8%	71.0% (improved)	BRFSS (unavailable so based on Ballad BHMA data)
14	Screening – Colorectal Cancer	TN: Ballad is tracking internally	46.4%	66.9% (improved)	BRFSS (unavailable so based on Ballad BHMA data)
15	Screening – Diabetes	Ballad	71.2%	82.9% (improved)	Based on Ballad BHMA data

16	Screening - Hypertension	Ballad	97.6%	98.5% (improved)	Based on Ballad BHMA data
Infant and Children					
17	Asthma ED Visits – Age 0-4	TN: Ballad is tracking through the state database	60.4	22.7 (improved)	HDDS
18	Asthma ED Visits – Age 5-14	TN: Ballad is tracking through the state database	41.5	19.4 (improved)	HDDS
19	Prenatal Care in the First Trimester	TN	66.8%	Ballad has no proxy	TN Vital Statistics
Mental Health & Substance Abuse					
20	Follow-up After Hospitalization for Mental Illness – 7 days	Ballad	33.3%	29.8% (declined)	Based on MSSP and Team Member claims data
21	Follow-up After Hospitalization for Mental Illness – 7 days	Ballad	58.6%	46.4% (declined)	Based on MSSP and Team Member claims data
Antidepressant Medication Management					
22	Effective Acute Phase Treatment	Ballad	75.5%	81.6% (improved)	Based on MSSP and Team Member claims data
23	Effective Continuation Phase Treatment	Ballad	65.3%	63.6% (declined)	Based on MSSP and Team Member claims data
24	Engagement of Alcohol or Drug Treatment	Ballad	1.9%	6.8% (improved)	Based on Team Member claims data
25	Rate of SBIRT Administration – Hospital Admissions	Ballad	0.0%	0.001% (improved)	Ballad Internal Data
26	Rate of SBIRT Administration – ED Visits	Ballad	0.0%	9.77% (improved)	Ballad Internal Data
Consumer Satisfaction					
27	Patient Satisfaction and Access Surveys	Ballad	100%	100% (met)	Ballad Internal Data

28	Patient Satisfaction and Access Survey – Response Report	Ballad	100%	100% (met)	Ballad Internal Data

FY21 Population Health

As noted in the previous section, the Access to Care and Population Health metrics are being discussed with the states through the Metrics Workgroup. Regarding Population Health, there are two components Ballad is responsible for in FY21. Given the suspension status during FY21, no formal list of process measures for Population Health was identified for FY21. There was still a great deal of activity that went on and is noted in the COPA plan accomplishments section.

	Goal	**Status**
Investment in Population Spend[1] *NOTE: THIS WAS RETROACTIVELY REVISED*	Original Year 3 Commitment = $5,000,000 New FY21 Commitment = $0	FY21 Spend = $5,044,947[2]
Achievement of Process Measures Identified in the Population Health Plan	N/A	N/A

[1]*Based on revised Exhibit B approved on December 22, 2021*

[2]*Excludes baseline spend*

E. Quality Indicators – TOC Section 4.02(c)(ii), 6.04(b)(xi) and Exhibit K / CA: Condition 12

- Summary of Quality Indicators **(Attachment 1)**
- Comparison to Similarly Sized Systems – Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.
- Comparison of Ballad Health Facilities to National Averages – Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

F. Patient Satisfaction Survey – TOC Section 4.02(c)(iii) and Exhibit C

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

G. Staffing Ratios – TOC Section 4.02(c)(iv)

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

H. Staff Survey – TOC Section 4.02(c)(v)

- The Employee Satisfaction Survey was not required to be completed during the Reporting Period but will be completed and reported in the Fiscal Year 2025 Annual Report.
- The Physician Satisfaction Survey was not required to be completed during the Reporting Period but will be completed and reported in the FY23 Annual Report.

I. Patient-related Prices Charged – TOC Section 6.04(b)(i)

Ballad is meeting the CMS hospital price transparency requirements under section 2718(e) of the Public Health Service Act. As such, Ballad gross charges are publicly available on our website. https://www.balladhealth.org/patients-visitors/price-estimator-standard-charges

J. Cost-efficiency Steps Taken – TOC Section 6.04(b)(ii)

Ballad continued its efforts to reduce unnecessary costs and improve efficiencies, during the Reporting Period. The table below shows the efficiencies achieved, by category, for amounts greater than $200,000.

FY21 Efficiency	June 30, 2021 Actual ($ in 000's)
Kingsport Consolidation/Efficiency	$15,669
GPO - Medical Supplies	$8,195
Consolidation of Hospitalist Contracts	$7,935
Wise County Consolidation	$7,142
Standardization of Purchased Services Contracts	$6,222
Greene County Consolidation/Efficiency	$2,477
Consolidation of Property Leases	$2,440
Clinic Consolidation/Efficiency	$2,368
GPO - Pharmacy Supplies	$1,848
Consolidation of Dietary & Housekeeping Contracts	$1,343
Oncology Provider Consolidation	$650
Consolidation of Cath Labs in Washington and Greene Counties	$416
Pediatric Service Line Consolidation	$329
	$57,034

K. Equalization Plan Status – TOC Section 6.04(b)(iii)

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

L. Services or Functions Consolidated – TOC Section 6.04(b)(v)

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity in the FY23 Annual Report.

M. Changes in Volume of Availability of Inpatient or Outpatient Services – TOC Section 6.04(b)(vi)

This item was suspended during the Reporting Period; however, Ballad wishes to provide the following activity during the suspension period for the Department's visibility and information.

Inpatient discharges increased by 0.4 percent in the Reporting Period over the prior year. COVID discharges increased to an estimated 6,880 in FY21 from 86 in FY20. The deferral of elective surgical procedures to focus on the pandemic resulted in an 8.4 percent decline in inpatient surgical cases over the prior year. Surgeries continued to shift towards an outpatient setting. There was significant volatility in volumes related to the Public Health Emergency and responses to the COVID-19 pandemic. In addition to limited growth in population, Ballad continued to experience a shift from traditional to managed Medicare, which typically has lower utilization in the inpatient setting.

At the pandemic's start, Ballad initiated a system-wide incident command referred to as CEOC and redistributed resources to align to with COVID demand.

N. Summary of Ballad Sponsored Residency Programs – TOC Section 3.03(d), 6.04(b)(vii) / CA: Condition 24

This item was suspended during the Reporting Period; however, Ballad wishes to provide the following schedule of residency programs from the suspension period for the Department's visibility and information.

Schedule of Residency Programs FY 2021						
Program	**Match Rates (%) 2020 Class**	**Program Status**	**Site**	**ACGME Approved Positions**	**Available Positions Filled**	**Board Passage Rate (%)**
JMH Family Medicine	50 (class filled in secondary match)	ACGME Continued Accreditation	JMH	18	15	100
JMH Internal Medicine	100	ACGME Continued Accreditation	JMH	18	15	50
Norton Internal Medicine	44 (Class filled in secondary match)	ACGME Continued Accreditation	Norton, VA	30	28	67
Lonesome Pine Family Medicine	67 (class filled in secondary match)	ACGME Continued Accreditation	Lonesome Pine/Norton, VA	18	17	100
JMH Dental Residency	100	CODA Accreditation	JMH	10	10	100
ETSU Addiction Medicine	100	ACGME Initial Accreditation	JCMC VA	2	2	NA (New Program)
ETSU Bristol Family Medicine	100	ACGME Continued Accreditation	BRMC	24	24	100
ETSU Kingsport Family Medicine	100	ACGME Continued Accreditation	HVMC	18	18	100
ETSU Johnson City Family Medicine	100	ACGME Continued Accreditation	JCMC	21	18	100

ETSU Internal Medicine	100	ACGME Continued Accreditation	JCMC HVMC BRMC VA	80	48	95
ETSU Cardiology	100	ACGME Continued Accreditation	JCMC VA	9	9	100
ETSU GI	100	ACGME Continued Accreditation	JCMC VA	6	6	100
ETSU Infectious Disease	100	ACGME Continued Accreditation	JCMC VA	6	4	100
ETSU Medical Oncology	100	ACGME Continued Accreditation	JCMC	6	5	100
ETSU Pulmonary Disease and Critical Care	100	ACGME Continued Accreditation	BRMC HVMC VA JCMC	9	6	67
ETSU Obstetrics and Gynecology	100	ACGME Continued Accreditation	JCMC HVMC BRMC	12	12	80
ETSU Orthopaedic Surgery	100	ACGME Initial Accreditation	JCMC HVMC	10	10	100
ETSU Pathology - Anatomic & Clinical	100	ACGME Continued Accreditation	JCMC VA	8	8	100
ETSU Pediatrics	100	ACGME Continued Accreditation	JCMC	24	21	86
ETSU Psychiatry	100	ACGME Continued Accreditation	VA Woodridge JCMC	25	22	75
ETSU Surgery	100	ACGME Continued Accreditation	JCMC VA BRMC HVMC	34	29	80

O. Movement of any Residency "slots" – TOC Section 6.04(b)(viii) / CA: Condition 24

This item was suspended during the Reporting Period; however, Ballad wishes to provide the following schedule of sponsored residency programs/slots from the suspension period for the Department's visibility and information.

There was an increase in resident training slots in Dental (+5) compared to FY20. Ballad is continuing to work with our academic partners to find areas where we can invest in the future of our healthcare workforce, particularly in critical areas.

Sponsored Residency Programs/Slots FY 2021						
Program	**Sponsor**	**Program Status**	**Affiliation**	**ACGME Approved Positions**	**Available Positions Filled**	**Board Passage Rate (%)**
JMH Family Medicine	JMH	ACGME Continued Accreditation	VCOM	18	15	100
JMH Internal Medicine	JMH	ACGME Continued Accreditation	VCOM	18	15	50
Norton Internal Medicine	NCH	ACGME Continued Accreditation	LMU-DCOM	30	28	67
Lonesome Pine Family Medicine	LPH	ACGME Continued Accreditation	LMU-DCOM	18	17	100
JMH Dental Residency	JMH	CODA Accreditation	JMH	10	12	100
ETSU Addiction Medicine	ETSU	ACGME Initial Accreditation	ETSU	2	2	NA (New Program)
ETSU Bristol Family Medicine	ETSU	ACGME Continued Accreditation	ETSU	24	24	100
ETSU Kingsport Family Medicine	ETSU	ACGME Continued Accreditation	ETSU	18	18	100

ETSU Johnson City Family Medicine	ETSU	ACGME Continued Accreditation	ETSU	21	18	100
ETSU Internal Medicine	ETSU	ACGME Continued Accreditation	ETSU	80	48	95
ETSU Cardiology	ETSU	ACGME Continued Accreditation	ETSU	9	9	100
ETSU GI	ETSU	ACGME Continued Accreditation	ETSU	6	6	100
ETSU Infectious Disease	ETSU	ACGME Continued Accreditation	ETSU	6	4	100
ETSU Medical Oncology	ETSU	ACGME Continued Accreditation	ETSU	6	5	100
ETSU Pulmonary Disease and Critical Care	ETSU	ACGME Continued Accreditation	ETSU	9	6	67
ETSU Obstetrics and Gynecology	ETSU	ACGME Continued Accreditation	ETSU	12	12	80
ETSU Orthopaedic Surgery	ETSU	ACGME Initial Accreditation	ETSU	10	10	100
ETSU Pathology - Anatomic & Clinical	ETSU	ACGME Continued Accreditation	ETSU	8	8	100
ETSU Pediatrics	ETSU	ACGME Continued Accreditation	ETSU	24	21	86
ETSU Psychiatry	ETSU	ACGME Continued Accreditation	ETSU	25	22	75
ETSU Surgery	ETSU	ACGME Continued Accreditation	ETSU	34	29	80

P. Partnerships – TOC Section 6.04(b)(ix) / CA: Condition 25

These items were suspended during the Reporting Period; however, Ballad wishes to highlight the following activity during the suspension period for the Department's visibility and information.

New and ongoing clinical studies FY21

New			Ongoing	
Obstetrics/Gynecology	2		OB/GYN	2
Oncology	9		Oncology	67
Cardiology	7		Cardiology	31
Pediatrics	8		Pediatrics	0
Pharmacy	8		Pharmacy	2
Trauma	9		Trauma	0
COVID	1		COVID	1
Nursing	1		Nursing	0
Pulmonology	1		Pulmonology	1
Public Health	1		Public Health	0
Radiation Oncology	1		Orthopedics	1
			Pathology	1
			Radiation Oncology	0
			Sleep Med	1
Total	**48**		**Total**	**107**

These items were suspended during the Reporting Period; however, Ballad wishes to highlight the following activity during the suspension period for the Department's visibility and information.

Research Goals, Progress Toward Those Goals, and Involvement of Academic and Community Partners:

- Develop a robust, versatile, and nimble research infrastructure.
    - The research plan was initiated; however, it was significantly scaled back due to the pandemic.
    - Corporate Director of Research hired.
- Foster and support the development and implementation of new research studies and assist with the performance and oversight of these studies.

- All discussions related to expanding research activities in the regional consortium were suspended due to the pandemic.
- Ballad continued to hold internal discussions about the assistance available for faculty, residents, and students to engage in research.

- Provide improved data acquisition/analysis.
  - Initiated process development within Ballad on the creation of various databases in support of academics and research.
  - Worked with IT and health information management to develop of de-identified data for use in research.
  - Aligned with VCU for discussions surrounding the creation of the STRONG LINK database.
- Facilitate outcomes research within Ballad to fulfill our COPA/CA commitments.
  - Align with the ETSU Center for Rural Health Research on developing ongoing research in areas such as population health and participation in grant application processes.
  - Development of potential measures and processes for measurement among the plans.
- Foster collaboration with ETSU and the Center for Rural Health Research.
  - Committees formed by the Memorandum of Understanding between ETSU and Ballad, were placed on hold due to the pandemic.
  - Continued discussions and planning occurred between ETSU and Ballad in General Medical Education (GME) and Nursing.
    - Ballad funding additional slots in Psychiatry and Obstetrics.
    - Ballad is working to address the nursing shortage with ETSU.
  - Continued virtual monthly meetings between the Center for Rural Health Research director and the Chief Academic Officer.
  - Continued virtual meetings to discuss joint ETSU-Ballad work on the STRONG LINK project.
- Provide consistent system-wide Institution Review Board (IRB) process support for all of Ballad.
  - Completed expansion of the Wellmont IRB FWA to include all Ballad facilities.
  - Completed the name change of Wellmont IRB to Ballad Health IRB.
  - Completed reliance agreement with ETSU IRB.
- Support and collaborate with the Ballad Center for Innovation.
  - Continue monthly discussions with Chief Innovation Officer.
  - Integrated innovation agenda item into the Ballad Health Academic Council.
  - Partnered with the innovation department to develop potential external relationships.

Money Spent Funding Grants:

- ETSU Center for Rural Health Research – $1.5 million
- Ballad Health Strong Brain Institute– $250,000
- Medical Legal Partnership- $500,000

Grant Money Brought in or Assisted Others in Supporting the Region:

- New grants awarded
  - USDA DLT (US Department of Agriculture Distance Learning and Telemedicine)—School Based Telemedicine Virtual Health Clinic- $313,361

- Temporary Assistance for Needy Families (TANF) Community Innovation Grant- $7,000,000
- SANE VOCA—FY22 Victim Services 1 Grant- $14,830
- SANE Training and Equipment- $13,810
- Workforce Opportunity for Rural Communities (WORC)- $180,496

- Continuing grants
  - Child Safety Fund- $16,620
  - Virginia Health Care Foundation RxRelief Virginia Initiative- $50,000
  - HRSA (Health Resources and Services Administration) Rural Healthcare Opioid Program- $247,415
  - First Horizon (formerly First Tennessee Bank Foundation)- $200,000
  - RCORP (Rural Communities Opioid Response Program)—Implementation- $1,000,000
  - SANE VOCA ED (Sexual Assault Nurse Examiner Victims Of Crime Act) and Branch House- $198,343
  - American Cancer Society Patient Assistance Funds for Transportation- $15,000
  - Tennessee Highway Safety Office for Car Seats- $31,029
  - FORE (Foundation for Opioid Response Efforts)- $73,614
  - HRSA Rural Communities Opioid Program for Psychostimulant Support- $500,000

Academic Research Projects:

The majority of these studies are continuations of prior years' work.

- In conjunction with ETSU Center for Rural Health Research
  - STRONG Accountable Care Community (ACC) evaluation
  - Continued cross-sectional, multi-year study aimed at understanding the organizational impact of our STRONG ACC participation.
  - Continued evaluation of the impact of ACC membership on local and regional agencies and then evaluate how the STRONG ACC structure may work to improve the quality of life for individuals and communities in the Appalachian Highlands.
  - An examination and evaluation of the expansion of Project Access across the 21-county primary service area (Appalachian Highlands Care Network).
    - Evaluate the impact of the expansion through the development and application of existing and new validation methodologies.
    - Provide feedback on activities and inform of any changes needed for improved impact.
  - An examination of the STRONG pregnancy, STRONG Starts, and STRONG LINK programs.
    - Inform our understanding of the causal relationships between childhood experiences and life outcomes for generations to come.
    - Add to the knowledge base and translate research into application to improve health outcomes nationally and in rural areas in the United States.
    - Understand more about the gaps in services that support families in our region and evaluate if other regional or national programs can be replicated to fill our gaps locally.
    - Evaluate Ballad patient navigation programs and determine which ones are effective for local families.

- In conjunction with Harvard Medical School, Department of Health Care Policy, Healthcare Markets and Regulation Lab:
    - An examination of the competitive dynamics of small hospital markets. Small markets are characterized as areas with relatively low population density and a small number of competing hospitals. Hospitals in these markets typically employ a substantial proportion of the local population and significantly influence the local economy. Recent news reports suggest that many hospitals in small markets are struggling financially and failing to stay on pace with adopting the latest technology and best practices. The proposed project is focused on three areas:
        - Identify and study small markets with fewer than three hospitals and assess how these markets have evolved.
        - To measure service offerings and expenses in small markets and assess how these have evolved over time and learn how they are affected by a closure or merger
        - To engage with researchers at ETSU and support their development of research capacity.
- In conjunction with Vanderbilt University – C3Fit Stroke Research
    - PCORI grant obtained by Vanderbilt University for stroke care delivery. Evaluation of post-stroke intervention, including home visits and navigation. Partnered with JCMC, which serves as a satellite facility for the grant.

Non-Academic Research:

- HRSA Rural Communities Opioid Response Program (RCORP).
    - Project focused on reducing opioid use and opioid related deaths. Community partners will collaborate with Ballad to implement realistic and sustainable efforts to reduce morbidity and mortality associated with opioid overdoses in high-risk rural communities. This will be accomplished through staff hired from grant funds working in tandem with a lead consortium and a network of locally empowered, multi-sector county consortia focused on prevention, treatment, and recovery across the target rural service area formed via a previously awarded the Fiscal Year 2018 HRSA RCORP-Planning grant. Each of these partners will leverage their expertise, community contacts, and services provided to produce a multifaceted approach, inclusive of those currently dealing with Opioid Use Disorder (OUD), to help people in the region and ensures each county is equipped to address gaps specific to their needs, while contributing to a coordinated regional effort.
- HRSA Rural Health Opioid Program (RHOP)
    - SCCH spearheaded a consortium of community organizations to develop a program to help combat the opioid crisis. The consortium represents a diverse and multifaceted approach to OUD in Smyth County, Virginia. The project will reduce morbidity and mortality related to opioid overdoses in the community by conducting outreach to identify individuals at-risk of overdose, help guide them to recovery, and then provide the needed services to help them with recovery.
- CMS Accountable Health Communities
    - Provide screenings for Medicare/Medicaid patients in our facilities in Southwest Virginia to review social determinants of health needs of high-risk patients and provide referral

services. Navigation services are provided to a randomized group of patients as determined by the CMS.

- SAMHSA's Drug Abuse Warning Network (DAWN)
    - DAWN began in 1976, and it was reactivated in 2018. BRMC is included as one of 50 hospitals that were recruited in the initial phase of the study, with plans for additional future expansion. DAWN is a public health surveillance system that, over the years, has identified public health crises for prescription and non-prescription trends.

Q. Published Reports from Research Projects – TOC Section 6.04(b)(x) / CA: Condition 25

These items were suspended during the Reporting Period; however, Ballad wishes to highlight the following activity during the suspension period for the Department's visibility and information.

In FY21, no publications have been based on research directly related to an approved HR/GME plan. Listed below are studies published during this period where Ballad resources were integral.

1. Dec 2021 - Clements AD, Cyphers NA, Whittaker DL, Hamilton B, McCarty B. Using Trauma Informed Principles in Health Communication: Improving Faith/Science/Clinical Collaboration to Address Addiction. Front Psychol. 2021 Dec 22;12:781484. doi: 10.3389/fpsyg.2021.781484. PMID: 35002868; PMCID: PMC8727867. Using Trauma Informed Principles in Health Communication
2. Nov 2021 - Mayden KD. Improving Health Equity: The Role of the Oncology Advanced Practitioner in Managing Implicit Bias. J Adv Pract Oncol. 2021 Nov;12(8):868-874. doi: 10.6004/jadpro.2021.12.8.7. Epub 2021 Nov 1. PMID: 35295541; PMCID: PMC8631340. Improving Health Equity
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4. Mar 2021 - Hanna K, Mayden K. Chemotherapy Treatment Considerations in Metastatic Breast Cancer. J Adv Pract Oncol. 2021 Mar;12(Suppl 2):6-12. doi: 10.6004/jadpro.2021.12.2.11. Epub 2021 Mar 1. PMID: 34113474; PMCID: PMC8020942. Chemotherapy Treatment Considerations in Metastatic Breast Cancer
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R. Updated Plan of Separation – TOC Section 6.04(b)(xii)

There have been no changes to the Revised Plan since reported in the Fiscal Year 2019 Annual Report.

S. Comparison of NHS Financial Ratios – TOC Section 6.04(b)(xiii) (Attachment 2)

Activity under this item was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

T. Total Charity Care Information – TOC Section 4.03(f), 6.04(b)(xiv) / CA: Condition 14, 15

Ballad spent just more than $80 million in FY21 for Charity and Unreimbursed TennCare and Medicaid. While below the projected baseline from the fiscal year 2017, this significant spending was impacted by the material decline in volumes tied to efforts by Ballad and area physicians related to improving value, an increase in Medicaid reimbursement from TennCare and Virginia Medicaid, andthe ongoing expansion of Medicaid in Virginia. The COVID-19 pandemic has further accelerated volume declines.

Also, Ballad continues to comply with its Financial Assistance Policy (FAP) adopted upon the mergers' closing, which represented an expansion of access for the low-income patient population. Individuals having an annual household income below 225% of the Federal Poverty Guidelines are eligible for 100% financial assistance. Individuals having an annual household income between 225% and 450% of the Federal Poverty Guidelines (taking into account family size

according to the US Census Bureau and the number of dependents per Internal Revenue Service rules) may be eligible for a partial discount, based on a sliding scale of income.

Ballad complies with the rules and regulations of Section 501 (r) of the Internal Revenue Code, including charge limits for all FAP- eligible patients. Ballad makes efforts to determine whether an individual is eligible for financial assistance and assists patients in the application process. As a courtesy to patients, Ballad also deploys presumptive eligibility processes to proactively identify patients needing financial assistance before they submit a financial assistance application. Ballad also seeks to connect eligible patients to insurance coverage when possible.

Continued efforts by Ballad to improve the management of chronically ill patients will result in less cost of charity care, as additional efforts to reduce emergency department utilization and medical admissions benefits patients. This is a benefit of efforts by Ballad to initiate value-based initiatives, such as the Appalachian Highlands Care Network (AHCN). AHCN connects uninsured patients and their familieswith free or low-cost clinics, dental services, financial counseling, and preventative care services.

AHCN consists of and partners with a variety of local organizations, outpatient clinics and hospitals that are working together to deliver a better, more supportive system of care for the uninsured population. These efforts reduce the cost of charity care – which benefits the taxpayers, the patients, and the hospitals. Ballad continues the discussion with the states related to thepolicy objectives of these initiatives.

Base Charity	FY2017 Baseline	FY2017 Baseline Adjusted by FY2018 HIA*	FY2017 Baseline Adjusted by FY2019 HIA*	FY2017 Baseline Adjusted by FY2020 HIA*	FY2017 Baseline Adjusted by FY2021 HIA*	FY2021 Actual as of 6/30/2021
7(a) Charity Care	$ 35,034,403	$ 36,067,918	$ 37,204,057	$ 38,413,189	$ 39,431,139	$ 31,436,459
7(b) Unreimbursed TennCare and Medicaid	61,605,896	63,423,270	65,421,103	67,547,289	69,337,292	48,756,999
Total	**$ 96,640,299**	**$ 99,491,188**	**$ 102,625,160**	**$ 105,960,478**	**$ 108,768,431**	**$ 80,193,458**
				Variance from Baseline		**$ (28,574,973)**
*Hospital Inflation Adjustment (HIA)		2.95%	3.15%	3.25%	2.65%	

U. Updated Organizational Chart – TOC Section 6.04(b)(xv) (Attachment 3)

V. Updates to and Implementation Achieved on the Health Plans – TOC Section 6.04(b)(iv), 3.05(c), 3.02(a), 3.02(b), 3.02(c) / CA: Condition 3, 8, 9, 23, 32, 33, 34, 35, 36

Spending in accordance with the plans and actions required by those plans was suspended during the Reporting Period; however, Ballad wishes to highlight the following activity during the suspension period for the Department's visibility and information.

Ballad meets with both states every quarter to share progress against the metrics for all six plans, along with the status of incremental spend on the plans and spend versus the various baselines.

Behavioral Health FY21 Plan Overview

Overall Behavioral Health Plan Strategies
1. Develop the Ballad Health Behavioral Services Infrastructure
2. Develop a Comprehensive Approach to the Integration of Behavioral Health and Primary Care
3. Supplement Existing Regional Crisis System – For Youth and Adults
4. Develop Enhanced and Expanded Resources for Addiction Treatment

1. Develop the Ballad Health Behavioral Services Infrastructure
   - RN Clinical Educator onboarded
   - Senior Director, Behavioral Health returned from furlough and increased his scope
   - Chief Financial Officer returned from furlough
   - Executive Assistant returned from furlough
   - Senior Director, Addiction Services, onboarded
   - Chief Executive Officer resigned; interim leadership maintained until vacancy filled January 2021
2. Develop a Comprehensive Approach to the Integration of Behavioral Health and Primary Care
   - Continued operations of existing integrated behavioral health primary care locations
   - Placed Preferred OBOT model on hold due to inability to meet the Preferred OBOT model staffing requirements
   - Began partnership with Ballad Health Medical Associates to identify tele vendors to provide a clinician network for integrated behavioral health primary care clinics
3. Supplement Existing Regional Crisis System – For Youth and Adults
   - Screening, Brief Intervention, and Referral to Treatment (SBIRT) platform was paused due to the emergency department volume consumed by COVID patients
   - SBIRT Community Navigators returned from furlough
   - Turnover in SBIRT Community Navigators – didn't re-scale during the COVID pandemic
   - Relocated Respond out of Woodridge Hospital to create an expanded call center
   - Continued service of Ballad Health Transport – 3,520 behavioral health patient transports
   - Continued school based behavioral health services in Bristol, TN, with Frontier Health
   - Continued support of REsourcing for Advancing Children's Mental Health (REACH) education to primary care physicians (Family Medicine and Pediatrics) to care for behavioral health issues in primary care settings
   - Initiated therapeutic rounding protocols for COVID + behavioral health patients in acute care settings
   - Initiated team member well-being rounds for caregiver burnout during the COVID pandemic
4. Develop Enhanced and Expanded Resources for Addiction Treatment
   - Location identified, and renovations began for Strong Futures Outpatient Clinic and temporary living center
   - Opened Strong Futures Outpatient Clinic May 2021
   - Opened Strong Futures temporary living center in late June 2021
   - Overmountain Recovery expansion of growth resulting in a 17% increase in patient volume

Rural Health FY21 Plan Overview

Overall Rural Health Plan Strategies
1. Expand Access to Primary Care Practices Through Additions of Primary Care Physicians and Mid-Levels to Practices in Counties of Greatest Need
2. Recruitment of Physician Specialists to Meet Rural Access Needs
3. Implement Team-Based Care Models to Support Primary Care Providers, Beginning with Pilots in High-Need Counties
4. Develop and Deploy Virtual Care Services
5. Coordinate Preventive Health Care Services

1. Expand Access to Primary Care Practices Through Additions of Primary Care Physicians and Mid-Levels to Practices in Counties of Greatest Need
    - Hire seven new and/or replacement primary care providers
        - Elizabethton, Tennessee
        - Greeneville, Tennessee (2)
        - Rogersville, Tennessee (2)
        - Sneedville, Tennessee
        - Lebanon, Virginia
2. Recruitment of Physician Specialists to Meet Rural Access Needs
    - Signed letter of intent (LOI) for 1 APP for Gastroenterologist APP in Abingdon, Virginia
    - Hired Pediatric Endocrinologist
    - Hired Pulmonary NP in Norton, Virginia
    - Hired OB Hospitalist; signed LOI for another OB Hospitalist for Norton, Virginia
    - Hired OB Generalist for Norton, Virginia
    - Hired Cardiology APPs for Greeneville, Tennessee, Norton/Pennington Gap, Wytheville, Lebanon, and Marion, Virginia
    - Cardiology outreach clinic established in Pennington Gap/Lee County, Virginia
3. Implement Team-Based Care Models to Support Primary Care Providers, Beginning with Pilots in High-Need Counties
    - Onboarded two Clinical pharmacists (Greeneville, Tennessee and Norton, Virginia)
    - Signed additional two Clinical pharmacists (Kingsport, Tennessee and Norton, Virginia)
    - Hired additional Behavioral Health Community Navigator
4. Develop and Deploy Virtual Care Services
    - Cash-based virtual urgent care service established
    - Expanded virtual capabilities for Behavioral Health providers embedded in Primary Care practices
5. Coordinate Preventive Health Care Services
    - Held four Health Fairs in Kingsport, one in Johnson City and one in Elizabethton (All in Tennessee)

Children's Health FY21 Plan Overview

Overall Children's Health Plan Strategies
1. Develop Necessary Ballad Children's Health Services Infrastructure
2. Establish ED Capabilities and Pediatric Specialty Centers in Bristol and Kingsport
3. Develop Telemedicine and Rotating Specialty Clinics in Rural Hospitals
4. Recruit and Retain Subspecialists based on Updated Needs
5. Assess, Align and Continuously Develop Pediatric Trauma Needs Across the System

1. Develop Necessary Ballad Children's Health Services Infrastructure
    - Hired Chief Medical Officer
    - Formed Niswonger Children's Network
        - Identified the next steps in the vision to elevate the level of care for children in the region
        - Planned program and infrastructure expansion
        - Initiate facility planning
2. Establish ED Capabilities and Pediatric Specialty Centers in Bristol and Kingsport
    - Collaborated with Kingsport Visioning Committee on commitments for children
3. Develop Telemedicine and Rotating Specialty Clinics in Rural Hospitals
    - Expanded school-based telehealth into Southwest Virginia
4. Recruit and Retain Subspecialists based on Updated Needs
    - Recruited two additional pediatric surgeons to total three within the region
    - Stabilized pediatric intensivists
    - Recruited pediatric neurologist, endocrinologist, and oncologist
5. Assess, Align and Continuously Develop Pediatric Trauma Needs Across the System
    - Paused due to COVID

Health Information Exchange (HIE) FY21 Plan Overview

Overall HIE Plan Strategies
1. Establish Ballad Health HIE Steering Committee
2. Conduct Geographic Service Area Interoperability Research
3. Identify Optimal Portfolio of Interoperability and Assemble Deployment Strategies
4. Develop an HIE Recruitment and Support Plan
5. Participate in ConnectVirginia's HIE and Other TN/VA Regulatory Programs

1. Establish Ballad Health HIE Steering Committee
    - Paused due to COVID
2. Conduct Geographic Service Area Interoperability Research
    - Completed review of Impact Advisor's evaluation of East Tennessee Health Information Network and determined not to pursue
3. Identify Optimal Portfolio of Interoperability and Assemble Deployment Strategies

- Initiated conversations with Epic to better under the process, support structure and costs necessary should Ballad seek to implement Epic Community Connect with select potential partners
- Continued to expand EpicCare Link to community providers with over 2,400 active users across 476 different locations
- Continued to utilize Ballad's business development office to engage with EpicCare Link users on new features and optimize functionality for the end user
- Continued to provide a data feed to OnePartner

4. Develop an HIE Recruitment and Support Plan
   - Completed Epic Hospital Go-Live across the legacy MSHA hospitals
   - Prepared for Phase 2 Epic Go-Live across home health and inpatient rehabilitation
5. Participate in ConnectVirginia's HIE and Other TN/VA Regulatory Programs
   - Continued to participate in these programs

Population Health FY21 Plan Overview

Overall Population Plan Strategies
1. Develop Population Health Infrastructure within the Health System and the Community **Develop the Ballad Health Population Health Department* **Create and Activate an Accountable Care Community (ACC)*
2. Position Ballad Health as a Community Improvement Organization **Self management and development of personal skills*
3. Enable Community Resources and Sound Health Policy **Strengthen community action* **Create supportive environments* **Build Healthy Public Policy*

1. Develop Population Health Infrastructure within the Health System and the Community
   - Worked to operationalize a social needs referral platform and created a Community Partner Referral Network
     - Contracted with UniteUs, began Epic integration work, recruited 43 initial network partners and continued to build the Ballad community resource list
     - Connected to Unite VA and launched Unite TN as the first Unite Us network in the state
   - In the process of developing a system approach to health-related social needs and the use of community health workers
     - Full development and activation of the Social Needs Council as laying groundwork for the development of universal screening and navigation within Ballad
     - Adoption of PennMed Community Health Worker (CHW) high fidelity model
     - Hired 12 new CHWs to support Strong and AHCN
     - Engagement with TN and VA CHW workgroups
     - Connection of CHWs in vaccine initiatives
   - Creating and implementing a population health longitudinal database and research studies

- Finalized data dictionary, list of external data partners, study design and operations plan; hired data manager and analyst
- Launched Strong Pregnancies and Starts and United Us
- Meeting bi-weekly with ETSU Center for Rural Health Research and Policy; work to secure Memorandum of Understanding with Virginia Commonwealth University

2. Position Ballad Health as a Community Improvement Organization
   - Continued implementation of the B Well Team Member Program
     - Focused on supportive environments and behavioral health supports and resources
     - Launched Ballad app
   - Continued to build and implement Strong Pregnancies and Starts screening and navigation
     - Secured two Ballad practice partnerships (Kingsport and Greeneville, Tennessee) and one independent (ETSU in Johnson City, Tennessee)
     - Initiated screening and navigation services; served over 100 patients
     - Began funding for 21 community organization partners to deliver best-practice solutions
   - Build and implement Appalachian Highlands Care Network (AHCN)
     - Finalized Project Access as network partner and expanded staff, services and independent physician network across all 21 counties
     - Launched AHCN in September 2020
     - Hired and trained five community health workers and three care managers
     - Outreached to over 5,800 patients for enrollment; enrolled 1,700 AHCN patients; enrolled 250 patients in care management
     - Connected 160 patients with CHWs; screened nearly 1,100 patients for social needs

3. Enable Community Resources and Sound Health Policy
   - Strengthened community action through community-based program investments
     - Evaluated ten initial pilot programs
     - Entered agreements with 21 partners to fund $2.1 million in programming
   - Continued creating supportive environments within STRONG ACC
     - Hired a new director and activated new governance structures as well as workgroups
     - Launched regional data dashboards by county
     - Launched No Wrong Door Strategy with Unite Us
     - Partnered with Tennesseans for Quality Early Education (TQEE) as one of the six initial Bright Starts pilots
   - Continued to engage with regional and state leaders to advance health policy that supports the STRONG model
     - Provided partnership support for Medicaid enrollment in Virginia
     - Engaged with Tennessee Coalition for Better Health
     - Strengthened relationships with key advocacy organizations, including TQEE, Virginia Early Childhood Foundation (VECF), and Tennessee Commission in Children and Youth (TCCY)
     - Engagement with legislators around STRONG and AHCN programs

Health Research (HR)/Graduate Medical Education (GME) FY21 Plan Overview

Overall HR/GME Strategies
1. Establish the Tennessee Virginia Regional Health Sciences Consortium (TVRHSC)
2. Identify Targeted Hiring Needs to Build Research Capacity and Academic Program Growth
3. Develop and Operationalize Consortium Research Infrastructure to Support Health Research in the Region
4. Develop and Operationalize an Education and Training Infrastructure to Support the Region

1. Establish the Tennessee Virginia Regional Health Sciences Consortium (TVRHSC)
   - Partnered with MAHEC and SWVA AHEC on video content for pipeline development in health careers
   - Initiated discussions about the incorporation of TVRHSC into the ACC structure
2. Identify Targeted Hiring Needs to Build Research Capacity and Academic Program Growth
   - Hired a new Market Director for research
   - Hired a new Corporate Director for research
   - Hired program manager for COPA outcomes research
   - Hired a Data Analyst for research
3. Develop and Operationalize Consortium Research Infrastructure to Support Health Research in the Region
   - Hired manager for the Ballad Health IRB
   - Extended the Ballad Health IRB across all of Ballad
   - Implemented clinical trials in COVID, oncology and cardiovascular research
   - Engaged in planning and initial operations of the STRONG LINK longitudinal database
4. Develop and Operationalize an Education and Training Infrastructure to Support the Region
   - Implemented medical-legal partnership with ASL and VT
   - Funded an additional OB resident slot at Bristol and supported ETSU GME programs through cutbacks at the VA
   - Served over 1,000 people at the Appalachian Highlands Dental Clinic

W. Virginia Specific Reporting

Conditions 5-7, 29-31, 42, 43 – Ballad was in compliance with Article V and Addendum I (pricing limitations) under the TN TOC for FY21. Please refer to the Tennessee COPA Monitor's FY21 Annual Report which can be found on the Tennessee Department of Health's website https://www.tn.gov/health/health-program-areas/health-planning/certificate-of-public-advantage/redir-copa/copa-reports.html

Condition 10 – Activity under this Condition was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

Condition 11 – Activity under this Condition was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

Condition 13 – All Ballad hospitals were fully accredited by Joint Commission on Accreditation of Healthcare Organizations during the Reporting Period and maintained compliance with the Medicare

Conditions of Participation at all times. Ballad Health had no immediate jeopardy findings during the Reporting Period.

Condition 16 – Ballad was not in default on any debt during the Reporting Period.

Condition 17 – There was a Notice of Material Adverse Event sent to the Virginia Department of Health on March 19, 2021 of the Tennessee Supreme Court's ruling declining to review the appellate court's decision *Highlands Physicians, Inc., v. Wellmont Health System*, No. E2019-00554-COA-R3-CV.

Condition 21 – Activity under this Condition was suspended during the Reporting Period unless there was a reduction in force of more than 50 people. Ballad did not have such a reduction in the Reporting Period.

Condition 26 – Activity under this Condition was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

Condition 27 – Activity under this Condition was suspended during the Reporting Period. Ballad will report on this activity during the next reporting cycle.

Condition 37 – Ballad submitted payment to the Southwest Virginia Health Authority for $75,000, as invoiced for FY21.

Condition 44 – There was no project with the Virginia DMAS ARTS Program during the Reporting Period. As Ballad rolls out Strong Futures and Medication Assisted Treatment (MAT) initiation in the emergency departments, Ballad will work collaboratively with the ARTS program.

ATTACHMENT 1

Summary of Quality Indicators

Summary of Quality Indicators

This item was suspended during the reporting period, however Ballad wishes to provide the following quality target and monitoring measures during the suspension period for the Department's visibility and information.

Report summary: This report provides a summary of performance for quality indicators submitted via the Ballad Health Quality Metrics Scorecard as of fiscal year end June 30, 2021. Metrics include the COPA target measures and the COPA monitoring measures. Fiscal Year performance compared to the established baseline of Hospital Compare, posted in July 2017. Quality Target Measures were met with significant challenges due to the onset of COVID 19. In addition to exceedingly high numbers of COVID admissions, the system struggled with diminished supplies and staffing which impacted our quality outcomes.

- Ballad Health met 59% (10/17) of the target measures at or above baseline.
- Opportunities for improvement include Postoperative Acute Kidney Injury Requiring Dialysis, Postoperative Sepsis Rate, CLABSI, CAUTI, SSI Colon, MRSA, and Sepsis Management Bundle

An executive summary reflecting Ballad Health as well as facility-specific Quality Target and Priority measures are posted to the Ballad Health internet site on a quarterly basis to allow public access to our quality data results. The link for public access is www.BalladHealth.org, under "About Us".

Target Measures:

Desired Performance	Quality Target Measures	Baseline	FY21
⬇	Pressure Ulcer Rate	0.29	0.24
⬇	Iatrogenic Pneumothorax Rate	0.38	0.21
⬇	In Hospital Fall with Hip Fracture Rate	0.10	0.08
⬇	PSI 9 Perioperative Hemorrhage or Hematoma Rate	4.20	2.24
⬇	PSI 10 Postoperative Acute Kidney Injury Requiring Dialysis Rate	1.02	2.23
⬇	PSI 11 Postoperative Respiratory Failure Rate	14.40	7.86
⬇	PSI 12 Perioperative Pulmonary Embolism or Deep Vein Thrombosis Rate	5.35	4.18
⬇	PSI 13 Postoperative Sepsis Rate	6.16	6.57
⬇	PSI 14 Postoperative Wound Dehiscence Rate	2.20	1.14
⬇	PSI 15 Unrecognized Abdominopelvic Accidental Puncture/Laceration Rate	0.90	0.45
⬇	CLABSI	0.774	1.058
⬇	CAUTI	0.613	0.785
⬇	SSI COLON Surgical Site Infection	1.166	2.210

*No baseline available, used internal target
FY21: July 2020 – June 2021

Desired Performance	Quality Target Measures	Baseline	FY21
⬇	SSI HYST Surgical Site Infection	0.996	0.731
⬇	MRSA	0.040	0.096
⬇	CDIFF	0.585	0.182
⬆	SMB: Sepsis Management Bundle	62.8%*	52.9%

*No baseline available, used internal target
FY21: July 2020 – June 2021

Monitoring Measures

Desired Performance	Quality Monitoring Measures	Baseline	FY21
⬆	HCOMP1A P Patients who reported that their nurses "Always" communicated well	82.8%	79.1%
⬇	HCOMP1U P Patients who reported that their nurses "Usually" communicated well	13.6%	14.0%
⬇	HCOMP1 SNP Patients who reported that their nurses "Sometimes" or "Never" communicated well	3.6%	6.9%
⬆	HCOMP2A P Patients who reported that their doctors "Always" communicated well	84.1%	80.1%
⬇	HCOMP2U P Patients who reported that their doctors "Usually" communicated well	11.9%	11.0%
⬇	HCOMP2 SNP Patients who reported that their doctors "Sometimes" or "Never" communicated well	3.9%	8.9%
⬆	HCOMP3A P Patients who reported that they "Always" received help as soon as they wanted	72.8%	66.9%
⬇	HCOMP3U P Patients who reported that they "Usually" received help as soon as they wanted	20.6%	19.0%
⬇	HCOMP3 SNP Patients who reported that they "Sometimes" or "Never" received help as soon as they wanted	6.6%	14.1%
⬆	HCOMP4A P Patients who reported that their pain was "Always" well controlled - Suspended	74.1%	--
⬇	HCOMP4U P Patients who reported that their pain was "Usually" well controlled - Suspended	19.6%	--
⬇	HCOMP4 SNP Patients who reported that their pain was "Sometimes" or "Never" well controlled - Suspended	6.3%	--
⬆	HCOMP5A P Patients who reported that staff "Always" explained about medicines before giving it to them	68.1%	67.7%
⬇	HCOMP5U P Patients who reported that staff "Usually" explained about medicines before giving it to them	15.9%	14.6%
⬇	HCOMP5 SNP Patients who reported that staff "Sometimes" or "Never" explained about medicines before giving it to them	16.0%	17.6%
⬆	HCOMP6Y P Patients who reported that YES, they were given information about what to do during their recovery at home	87.2%	85.6%

Desired Performance	Quality Monitoring Measures	Baseline	FY21
⬇	HCOMP6N P Patients who reported that NO, they were not given information about what to do during their recovery at home	12.8%	14.4%
⬆	HCOMP7SA Patients who "Strongly Agree" they understood their care when they left the hospital	54.5%	49.0%
⬇	HCOMP7A Patients who "Agree" they understood their care when they left the hospital	40.8%	43.5%
⬇	HCOMP7D SD Patients who "Disagree" or "Strongly Disagree" they understood their care when they left the hospital	4.8%	7.5%
⬆	HCLEAN HSPAP Patients who reported that their room and bathroom were "Always" clean	73.9%	75.3%
⬇	HCLEAN HSPUP Patients who reported that their room and bathroom were "Usually" clean	17.2%	13.8%
⬇	HCLEANHSP SNP Patients who reported that their room and bathroom were "Sometimes" or "Never" clean	8.9%	10.8%
⬆	HQUIETHSP AP Patients who reported that the area around their room was "Always" quiet at night	66.5%	63.5%
⬇	HQUIETHSP UP Patients who reported that the area around their room was "Usually" quiet at night	26.9%	23.6%
⬇	HQUIETHSP SNP Patients who reported that the area around their room was "Sometimes" or "Never" quiet at night	6.6%	12.9%
⬇	HHSP RATING06 Patients who gave their hospital a rating of 6 or lower on a scale from 0 (lowest) to 10 (highest)	7.8%	13.4%
⬇	HHSP RATING78 Patients who gave their hospital a rating of 7 or 8 on a scale from 0 (lowest) to 10 (highest)	18.9%	16.9%
⬆	HHSP RATING910 Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	73.3%	69.7%
⬆	HRECMND DY Patients who reported YES, they would definitely recommend the hospital	73.7%	66.4%

Desired Performance	Quality Monitoring Measures	Baseline	FY21
⬇	HRECMND PY Patients who reported YES, they would probably recommend the hospital	21.5%	22.9%
⬇	HRECMND DN Patients who reported NO, they would probably not or definitely not recommend the hospital	4.8%	10.7%
⬆	OP29 Avg Risk Polyp Surveillance	76.1%	96.9%
⬆	OP30 High risk Polyp Surveillance -- RETIRED	77.7%	--
⬇	OP3b Median Time to Transfer AMI --- RETIRED	47.5	--
⬇	OP5 Median Time to ECG AMI and Chest Pain RETIRED	5.22	--
⬆	OP4 Aspirin at Arrival AMI Chest Pain -- RETIRED	0.97	--
⬇	Median Time from ED Arrival to Transport for Admitted Patients (ED1)	227.3	365.9
⬇	ED2b ED Decision to Transport	69.0	161.3
⬇	Median Time from ED Arrival to Departure for Outpatients (18b)	124.5	151.9
⬇	OP20 Door to Diagnostic Evaluation RETIRED	15.09	--
⬇	OP21 Time to pain medication for long bone fractures RETIRED	37.84	--
⬇	OP22 Left without being seen	0.9%	1.6%
⬆	OP23 Head CT stroke patients	84.7%	69.6%
⬆	IMM3OP27 FACADHPCT HCW Influenza Vaccination - SEASONAL	97.0%	98.0%
⬇	VTE6 HAC VTE	0.02	--
⬇	PC01 Elective Delivery	0.56%	2.17%
⬇	Hip and Knee Complications	0.029	0.000
⬇	PSI4SURG COMP Death rate among surgical patients with serious treatable complications	140.6	182.3
⬇	PSI90 Complications / patient safety for selected indicators	0.83	0.95
⬇	READM30 AMI Acute myocardial infarction (AMI) 30day readmission rate	12.9%	13.6%
⬇	READM30 CABG Coronary artery bypass graft (CABG) surgery 30day readmission rate	8.9%	10.6%
⬇	READM30 COPD Chronic obstructive pulmonary disease 30day readmission rate	18.2%	21.2%
⬇	READM30 HIPKNEE 30day readmission rate following elective THA / TKA	3.8%	4.9%

Desired Performance	Quality Monitoring Measures	Baseline	FY21
⬇	READM30 HOSPWIDE 30day hospital wide all cause unplanned readmission	12.0%	14.7%
⬇	READM30 STK Stroke 30day readmission rate	9.0%	11.5%
⬇	READM30HF Heart Failure 30Day readmissions rate	20.5%	24.5%
⬇	READM30PN Pneumonia 30day readmission rate	17.7%	18.5%
⬇	MORT30 CABG Coronary artery bypass graft surgery 30day mortality rate	2.0%	2.9%
⬇	MORT30 COPD 30day mortality rate COPD patients	1.8%	3.3%
⬇	MORT30AMI Acute myocardial infarction (AMI) 30day mortality rate	4.7%	6.2%
⬇	MORT30HF Heart failure 30day mortality rate	3.9%	4.1%
⬇	MORT30PN Pneumonia 30day mortality rate	4.7%	8.0%
⬇	MORT30STK Stroke 30day mortality rate	8.2%	6.9%

ATTACHMENT 2

Comparison of Financial Ratios

Statement of Revenue and Expense
For the Month Ended June 30, 2021

	FY21 Total
Patient Revenue	
Inpatient	4,105,672,397
Outpatient	5,778,684,954
Total Patient Revenue	**9,884,357,351**
Deductions From Revenue	
Revenue Deductions	7,436,229,060
Charity	180,700,287
Uninsured Discounts	266,820,856
Total Deductions	**7,883,750,202**
Net Patient Revenue	**2,000,607,149**
Other Operating Revenue	189,983,063
Hospital Support Revenue	(339)
Total Operating Revenue	**2,190,589,872**
Operating Expense	
Salaries & Wages	621,591,369
Provider Salaries	180,706,871
Contract Labor - Providers	24,163,817
Contract Labor - Other	61,746,922
Team Member Benefits	131,805,754
Professional Fees	318,053,207
Drugs & Supplies	434,280,607
Other Expense	183,325,111
Depreciation & Amortization	165,160,776
Interest & Taxes	41,014,311
Total Operating Expense	**2,161,848,744**
Net Operating Income before Support Allocation	**28,741,128**
Support Allocation - Labor Expense	0
Support Allocation - Other	0
Net Operating Income after Support Allocation	**28,741,128**

Net Investment Income	27,489,772
Realized Gain on Investments	32,344,694
Gain / (Loss) from Affiliates	1,291,031
Gain / (Loss) on Discontinued Operations & Disposal	1,627,752
Loss on Extinguishment of LTD / Derivatives	0
Minority Interest	(42,231,442)
Other Non Operating Income / (Expense)	(25,646,321)
Total Non Operating Income / (Expense)	**(5,124,514)**
Total Revenue Over Expense Before CFV of Derivatives	**23,616,614**
Change in Fair Value of Interest Rate Swaps	4,145,652
Total Excess Revenue Over Expense	**27,762,266**
Net Unrealized Gain / (Loss) on Investments	200,278,804
Increase in Unrestricted Net Assets	**228,041,070**
EBITDA (Operations)	**234,916,215**
EBITDA (Operations) as % of Net Patient Revenue	11.7%
Operating Margin	1.3%
EBITDA	**229,791,701**
EBITDA as % of Net Patient Revenue	11.5%
Total Margin	1.1%

Key Operating Indicators
For the Period Ended June 30, 2021

	FY21 Total
Operating Statistics	
Average Daily Census (Hospitals)	1,162
Occupancy Percent (Hospitals)	45.8%
Patient Days (Hospitals)	423,976
Discharges (Hospitals)	89,352
Observation Visits	23,766
Observation Visits (excl OB)	22,618
Acute Discharges and Observation Visits (excl OB)	105,373
Obs Visits (excl OB) % of Obs Visits (excl OB) & Acute Disch	21.5%
Observation (excl OB) % of Occupancy	0.3%
Outpatient Visits	2,989,413
Telehealth Visits	58,855
Urgent Care Visits	186,967
Emergency Department Visits	335,906
Surgery Cases - Inpatient	16,537
Surgery Cases - Outpatient	31,467
Surgery Cases - ASC	2,255
Revenue by Source	
Medicare	23.3%
Managed Medicare	32.0%
Medicaid/TennCare	14.4%
Managed Care	20.9%
Self Pay	5.5%
Other	3.9%
Labor Management	
Employed Full Time Equivalents	10,254
Contract Full Time Equivalents	347
Total Full Time Equivalents (excl Providers)	10,601
Employed Provider Full Time Equivalents	765
Contract Provider Full Time Equivalents	44
Total Provider Full Time Equivalents	809
Full Time Equivalents	11,411
Average Hourly Rate (excl Providers & Cont Lbr)	$29.06
Salary Expense per FTE (excl Providers & Cont Lbr)	$60,621
Patient Resource Management	
Overall Medicare Average Length of Stay	4.82
Overall Average Length of Stay	4.75
Acute Medicare Average Length of Stay - Acuity Adjusted	2.67
Acute Overall Average Length of Stay - Acuity Adjusted	2.70
Observation Average Length of Stay	1.25
Acute Medicare Case Mix Index	1.72
Acute Overall Case Mix Index	1.68

Balance Sheet
For the Period Ended June 30, 2021

	June 30 2021
ASSETS	

Current Assets	
Cash and Cash Equivalents	412,413,599
Board Designated Funds COPA	238,825
Board Designated Funds Cooperative Agreement	8,486,483
Current Portion AWUIL	13,701,088
Accounts Receivable (Net)	232,384,328
Other Receivables	68,152,574
Due From Affiliates	1,552
Due From Third Party Payors	(0)
Inventories	55,386,086
Prepaid Expense	14,690,052
	805,454,586
Assets Whose Use is Limited	85,457,559
Other Investments	1,498,853,771
Propery, Plant, and Equipment	
Land, Buildings, and Equipment	3,348,451,968
Less Allowances for Depreciation	(2,133,523,565)
	1,214,928,402
Other Assets	
Pledges Receivable	1,039,309
Long Term Compensation Investment	35,150,998
Investments in Unconsolidated Subsidiaries	19,088,234
Assets Held for Resale / Expansion	17,297,532
Investments in Subsidiaries	(0)
Goodwill	206,027,773
Deferred Charges and Other	38,452,932
	317,056,778
TOTAL ASSETS	**3,921,751,097**

LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable and Accrued Expense	213,296,180
Accrued Salaries, Benefits, and PTO	134,996,318
Accrued Interest	20,134,462
Due to Affiliates	0
Due to Third Party Payors	148,984,432
Current Portion of Long Term Debt	37,308,918
	554,720,311
Other Non-Current Liabilities	
Long Term Compensation Payable	19,268,218
Long Term Debt	1,308,325,852
Estimated Fair Value of Interest Rate Swaps	729,895
Deferred Income	483,940
Professional Liability Self-Insurance and Other	127,056,950
	1,455,864,855
TOTAL LIABILITIES	**2,010,585,166**
Net Assets	
Restricted Net Assets	38,688,600
Unrestricted Net Assets	1,577,580,203
Noncontrolling Interests in Subsidiaries	294,897,127
	1,911,165,931
TOTAL LIABILITIES AND NET ASSETS	**3,921,751,097**

Comparison of Ballad Health to the Median of Similarly Rated Health Systems

	2020 Fitch Median[1]	2020 S&P Median[2]	2020 Moody's Median[3]	FY21 Total
Profitability Ratios				
Total Margin[5]	3.4%	2.4%	2.8%	1.1%
Operating Margin	0.9%	0.6%	0.1%	1.3%
EBITDA to Revenue	10.3%	8.0%	12.0%	10.5%
Liquidity Ratios[7]				
Current Ratio[6]	N/A	N/A	1.5	1.5
Days in Patient A/R	45.9	43.2	42.9	42.4
Avg Payment Period[6]	83.2	N/A	88.9	100.5
Total Days Cash on Hand	258.8	205.8	232.8	351.0
Capital Ratios[7]				
LT Debt to Capitalization[6]	32.8%	44.7%	37.4%	40.9%
Cash Flow to Total Debt[5,6]	25.6%	N/A	27.0%	14.2%
Debt Service Coverage	3.4	2.4	3.8	4.3
Productivity Ratios				
FTEs per AOB	N/A	N/A	N/A	3.19
Labor Exp / Net Patient Rev	56.6%	68.3%	N/A	51.0%

Notes

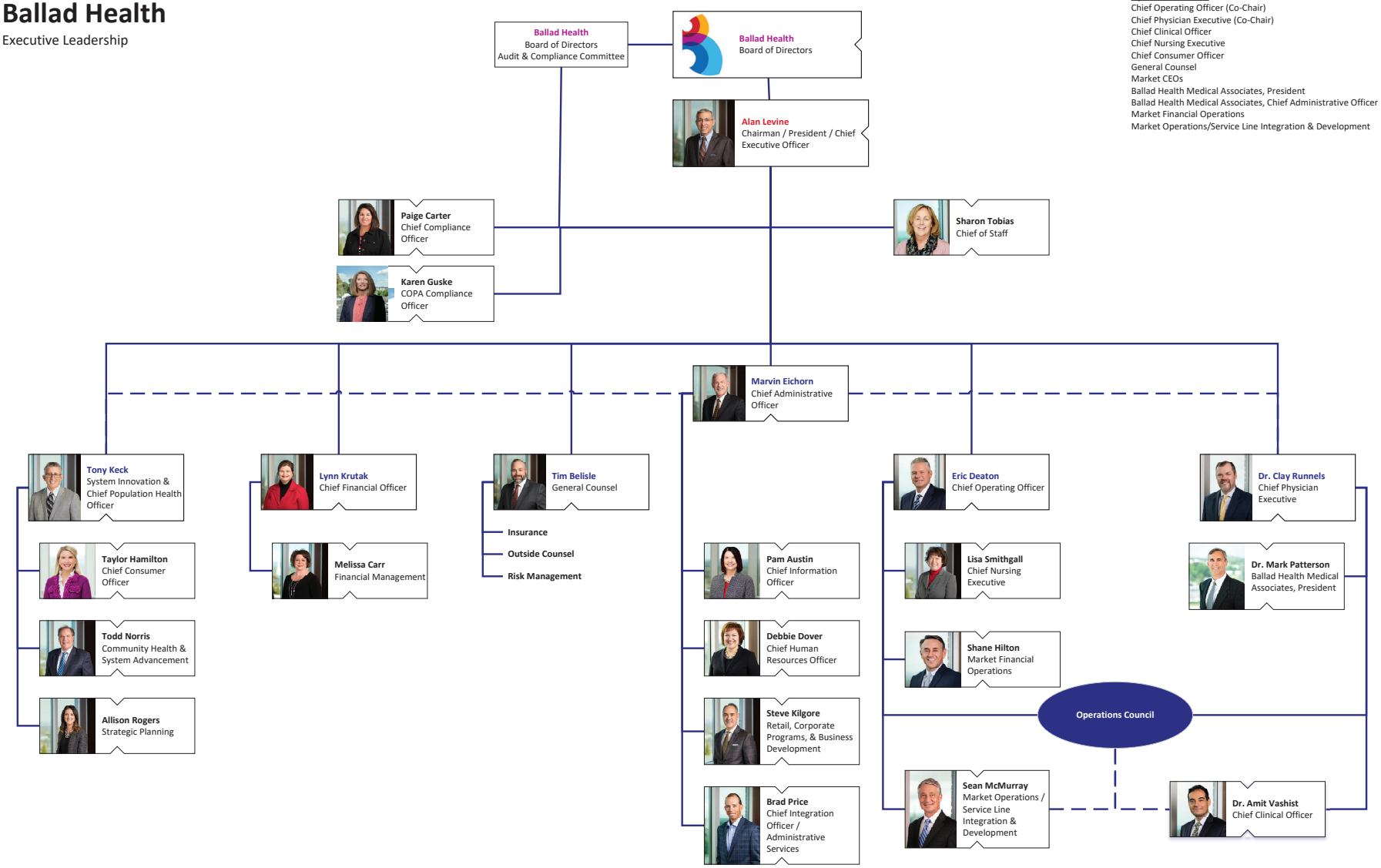
[1] Source: Fitch - Median Ratios for Nonprofit Hospitals and Healthcare Systems (August 2021)
[2] Source: S&P - US Not-for-Profit Health Care System Median Ratios (August 2021)
[3] Source: Moody's - Not-for-Profit Hospital Medians (September 2021)
[5] Excludes Loss on Extinquishment of LTD
[6] Norton Community Hospital and Johnston Memorial Hospital Debt is excluded
[7] Liquidity and Capital Ratios use a rolling 12 for income statement components

ATTACHMENT 3

Ballad Organizational Chart

Ballad Health

Executive Leadership



Operations Council
Chief Operating Officer (Co-Chair)
Chief Physician Executive (Co-Chair)
Chief Clinical Officer
Chief Nursing Executive
Chief Consumer Officer
General Counsel
Market CEOs
Ballad Health Medical Associates, President
Ballad Health Medical Associates, Chief Administrative Officer
Market Financial Operations
Market Operations/Service Line Integration & Development

COPA Compliance Office – Annual Report for Fiscal Year 2021

Covering 07/01/2020 – 06/30/2021 "Reporting Period"

Submitted pursuant to the Third Amended and Restated Terms of Certification (July 1, 2022) Governing the Certificate of Public Advantage Issued to Ballad Health Pursuant to the Master Affiliation Agreement and Plan of Integration by and between Wellmont Health System and Mountain States Health Alliance (the "TOC") and the Virginia Order and Letter (October 30, 2017) Authorizing a Cooperative Agreement (the "CA").

CERTIFICATION OF COMPLIANCE WITH THE TOC AND THE CA

Pursuant to section 6.04(a) of the TOC, the undersigned hereby certifies the following report and its attachments are true and correct to the best of his/her knowledge after due inquiry and are accurate and complete.

Karen Guske

Karen Guske
Senior Vice President
COPA Compliance Officer
Ballad Health

10/28/22
Date

Table of Contents

COPA COMPLIANCE OFFICE - ANNUAL REPORT

Covering 07/01/2020 – 06/30/2021 (Fiscal Year 2021 (FY21) Reporting Period)

1. Requirements

Exhibit F, section 2 of the TOC requires an annual submission as follows: Prepare and submit the COPA Compliance Office (CCO) Annual Report, which shall include an account of the activities of the Office, including the number and nature of complaints, identification of any potential violations of the COPA and the TOC, and other items as identified by the Department. The CCO Annual Report shall be submitted, if not sooner, according to the same time frame applicable to the submission of the Annual Report of the New Health System. See Section 6.04(b) of the TOC.

2. Reporting Requirements

A. COPA Compliance Complaints Report (TOC Exhibit F, Section 2, bullet 5)

i. Ballad Health maintains a system-wide Code of Ethics,[1] which represents a policy of Ballad Health. This policy requires mandatory compliance by all associates, including with the section referencing the COPA and the Letter Authorizing the CA. All associates are required to report any non-compliance and are provided the means and mechanism by which to do so, including anonymously. The CCO has established a process for all COPA and CA (COPA) related complaints to be documented. All Ballad Health Team Members have access to an AlertLine that they may call anonymously to register complaints or concerns, 1-800-535-9057. Additionally, a description of the CCO and the process for filing complaints is maintained on the Ballad Health external website[2] and includes a link to an email address for COPA Compliance, copa.compliance@balladhealth.org.

A log documenting all complaints is maintained by the CCO. Once a complaint is received it is reviewed. When appropriate, the complaint is investigated to ascertain the facts. If a violation of the COPA has occurred, corrective action is recommended. Any complaints that cannot be resolved by the CCO will be referred to the Audit and Compliance Committee of the Board for direct resolution.

ii. During the COPA Compliance Office Reporting Period covered by this report there were no COPA Complaints filed with the CCO.

iii. Update on Previously Reported, Pending or Closed, COPA Complaints – During the Reporting Period covered by this report there were no follow-up items to report.

[1] https://www.balladhealth.org/sites/default/files/documents/Ballad-Health-Code-of-Ethics-180510.pdf

[2] https://www.balladhealth.org/copa

B. COPA Compliance Office Account of Activities (TOC Exhibit F, Section 2, bullet 7)

i. A complete listing of deliverables that were due to, and permanent waivers that were requested from, the state and the commonwealth during this Reporting Period were submitted by the required dates and are listed below:

CORRESPONDENCE	DATE SUBMITTED	PURSUANT TO TOC AND CA
Request to modify the Health Research and Graduate Medical Education plan - Appalachian School of Law	9/18/2020	TOC 3.06(c); CA Condition 4
Waiver request to Tennessee Department of Health (TDH) for Inpatient Gero-Psychiatric and Inpatient Rehabilitation units at Greeneville Community Hospital West	9/25/2020	TOC 4.03(c)(i)
Waiver request to Virginia Department of Health (VDH) for mobile PET Scan services in Wise County, Virginia	10/5/2020	CA Condition 27
Waiver request to TDH related to Cardiology Program	10/13/2020	TOC 5.05(e)
Semi-Annual Complaints Report	10/26/2020	TOC 6.02, Exhibit F
Waiver request to TDH for creation of Women's and Newborn Center in Kingsport, TN	11/11/2020	TOC 4.03(c)(i)
Virginia Fiscal Year 2020 (FY20) Annual report filing fee	11/25/2020	CA 12VAC5-221-110 (E)
Ballad Health's FY20 Annual Report and COPA Compliance Office Annual Report	11/25/2020	TOC 6.04(b); CA 12VAC5-221-110 (A)
Ballad Health's FY20 Addendum 1 Annual Report	11/30/2020	TOC Addendum 1; CA Condition 5
Request to modify the Rural Health Plan – Lee County	1/8/2021	TOC 3.06(c); CA Condition 4
Request to modify the Rural Health Plan - EMS Cardiac Monitors	1/8/2021	TOC 3.06(c); CA Condition 4
Request for one-year extension of the current three-year COPA plans for Fiscal Year 2022 (FY22)	1/11/2021	TOC 3.06(b); CA Condition 4
Request to VDH of formal review and approval of the revised Addendum 1 of the Tennessee Terms of Certification	1/11/2021	CA Condition 5
Waiver request to TDH for actions related to Ballad Health's Cardiology Program	2/9/2021	TOC 5.05(e)
Revised waiver request to TDH for actions related to Ballad Health's Cardiology Program	2/18/2021	TOC 5.05(e)
Request to modify the Health Research and Graduate Medical Educations (HR/GME) Plan – Norton Residency clinic	3/5/2021	TOC 3.06(c); CA Condition 4
Request to modify the HR/GME Plan – Milligan Addiction Counseling Program	3/17/2021	TOC 3.06(c); CA Condition 4
Request to modify the Children's Health Plan - Miracle Field	3/17/2021	TOC 3.02(b), 3.06(c); CA Condition 4

CORRESPONDENCE	DATE SUBMITTED	PURSUANT TO TOC AND CA
Draft one-year extension COPA plans for FY22 submitted to states for review and feedback	4/17/2021	TOC 3.06(b); CA Condition 4
Semi-Annual Complaints Report	4/21/2021	TOC Section 6.02, Exhibit F
Ballad Health's FY20 Amended Annual Report submission	5/19/2021	TOC 6.04(b); CA 12VAC5-221-110 (A)
Ballad Health's final one-year extension COPA Plans for FY22 submission	6/22/2021	TOC 3.06(b); CA Condition 4

ii. Waivers and Modifications – Ballad Health is committed to operating the organization in compliance with the Tennessee TOC and Virginia CA and to identifying our legal responsibilities and conducting our business practices accordingly. When management identifies changes in circumstances that would require a modification or waiver of the terms of the TOC or CA, the organization needs to submit requests to the states. Accordingly, the COPA Compliance Office in conjunction with the Ballad Health Legal Department has developed a process to submit requests for determinations from the state and commonwealth. When developing each request, comprehensive, situation specific information, and data is elicited from the affected internal staff/service line.

During the Reporting Period, one waiver request that was pending at the end of FY20 was approved and four waiver requests were submitted, with three approved and one pending as of the end of FY21.

Follow-up on Previous Pending Waiver from FY20 COPA Compliance Office Report

- **Topic**: Greeneville Community Hospital (GCH) consolidation of Cath Lab
  - **Request**: 2/17/2020 – Waiver request submitted to have GCH Cardiac Cath Lab Integrated into the system's cardiac network.
  - **Outcome**: 2/16/2021 – TDH approval received.

Permanent Waivers Requested during the Reporting Period

- **Topic:** Inpatient Geropsychiatric and Inpatient Rehabilitation Units at Greeneville Community Hospital West
  - **Request:** 9/25/2020 – Waiver request for approval related to repurposing Greeneville Community Hospital West into a residential facility to treat women who are pregnant or parenting for addiction.
  - **Outcome:** 11/5/2020 – TDH responded with approval. As part of the approval, TDH requested Ballad submit a standard business plan within 30 days.
  - **Submission of TDH Request:** 12/4/2020 –Ballad submitted information to fulfill the Department's request.
  - **Outcome:** 12/15/2020 – Final TDH approval received.

- **Topic:** Positron Emission Tomography (PET) Mobile Scan Services for Wise County, Virginia
  - **Request:** 10/5/2020 – Waiver request to consolidate PET mobile services at Norton Community Hospital (NCH) and Lonesome Pine Hospital's (LPH) outpatient Southwest Virginia Cancer Center (SVCC).
  - **Outcome:** 11/12/2020 – VDH approval received.

- **Topic:** Ballad Health Cardiology Program
    - **Request:** 10/13/2020 – Waiver requests regarding certain changes to its cardiology program necessary to ensure appropriate care for patients of the Geographic Service Area.
    - **Outcome:** 12/21/2020 – TDH responded with partial approval.
    - **Request:** 2/9/2021 – Additional information was submitted and Ballad requested TDH reconsider the request.
    - **Request:** 2/18/2021 – New information was submitted and Ballad requested two waivers regarding the Cardiology Program:
        - Waiver to allow certain cardiologists affiliated with CVA Heart Institute (CVA) to see their patients at Johnson City Medical Center (JCMC).
        - The hiring by Ballad Health Medical Associates Heart and Vascular Care (BHMA) of one electrophysiologist (EP) in Johnson City and the granting of privileges to practice at JCMC.
    - **Outcome:** Pending with TDH as of the end of FY21.

- **Topic:** Creation of a Women's and Newborn Center in Kingsport, Tennessee
    - **Request**: 11/11/2020 – Waiver request to permanently consolidate OB/GYN services in Kingsport, Tennessee by moving women and newborn's care from Holston Valley Medical Center (HVMC) to Indian Path Community Hospital (IPCH).
    - **Outcome:** 12/21/2020 – TDH approval received.

During the Reporting Period, seven modification/extension requests were submitted, two were fully approved and one was partially approved. Four modification requests were pending at the end of the Reporting Period.

Plan Modifications/Extensions Requested

- **Topic:** Modification to the Health Research and Graduate Medical Education Plan (HR/GME)
    - **Request:** 9/18/2020 – Amendment request to modify the previously approved HR/GME plan to provide financial support to a medical partnership program designed by Virginia Tech's Pamplin College of Business (VT) and the Appalachian School of Law (ASL). The program would furnish legal services to low-income patients and assist those patients in addressing health related social needs.
    - **Outcome:** 9/29/2020 – TDH approval received.
      9/30/2020 – VDH approval received.

- **Topic:** Modification to the Rural Health Plan
    - **Request:** 1/8/2021 – Amendment request to modify the previously approved Rural Health plan to provide financial support to Northeast Tennessee and Southwest Virginia Emergency Medical Services (EMS) to acquire new cardiac monitors.
    - **Outcome:** Pending with states as of the end of FY21.

- **Topic:** Modification to the Rural Health Plan
    - **Request:** 1/8/2021 – Amendment request to modify the previously approved Rural Health plan for the costs to open Lee County Hospital.
    - **Outcome:** Pending with states as of the end of FY21.

- **Topic:** Proposal to Extend the Current Three-Year Plans for One Year
    - **Request:** 1/11/2021 – Request for a one-year extension on current three-year plans which would otherwise expire June 30, 2021.

- **Outcome:** 2/4/2021 – VDH approval received.
  2/8/2021 – TDH approval received.
- **Submission:** 4/17/2021 – Draft one-year extension COPA Plans for FY22 submitted to states for review and feedback.
- **Outcome:** 4/2/2021 – Feedback received from TDH and VDH.
- **Submission:** 6/22/2021 – Revised and final one-year extension COPA Plans for FY22 submitted for review and approval.
- **Outcome:** 7/27/2021 – TDH approval received.
  9/9/2021 – VDH approval received.

- **Topic:** Modification to the HR/GME Plan
  - **Request:** 3/5/2021 – Amendment request to modify the previously approved HR/GME Plan to add relocation of the family practice residency clinic to the Norton Community Hospital campus.
  - **Outcome:** Pending with states as of the end of FY21.

- **Topic:** Modification to the HR/GME Plan
  - **Request:** 3/17/2021 – Amendment request to modify the previously approved HR/GME Plan to add grant to Milligan University Addictions Counseling Program to the Milestones and Metrics.
  - **Outcome:** Pending with states as of the end of FY21.

- **Topic:** Modification to the Children's Health Plan
  - **Request:** 3/17/21 – Amendment request to modify the previously approved Children's Health Plan to add assistance with construction of Miracle Field in Kingsport, Tennessee.
  - **Outcome:** 6/9/21 – TDH and VDH partial approval received.

C. COPA Compliance Report on Potential Violations of the TOC or CA (TOC Exhibit, Section 2, bullet 7)

The following issues of non-compliance or potential non-compliance that occurred during the Reporting Period covered by this CCO Report have been identified:

POTENTIAL NON-COMPLIANCE	PURSUANT TO TOC AND CA
FY19 Plan spending shortfall and required plan of correction	TOC 6.05(a); CA Condition 17
FY20 Plan spending shortfall and required plan of correction	TOC 6.05(a); CA Condition 17
FY19 spending shortfall for Charity Care	TOC 4.03(f)(iv)

Plan Spend

i. FY19 Plan Spend – Ballad did not meet all plan spending requirements for FY19. Both the state and commonwealth recognized Ballad for their transparency as it pertained to informing the Tennessee Department of Health (TDH) and the Virginia Department of Health (VDH), collectively the Departments, of the expected spending trajectory throughout fiscal year 2019. And while Ballad continued to keep the Departments apprised of the spending and was forthcoming about their projections for what the actual spending would be, Ballad did not formally notify the Departments of not meeting plan spending requirements for FY19, a Material Adverse Event (MAE) under Condition 17 and of the letter authorizing the Cooperative Agreement in Virginia. Ballad's letters to the VDH on September 4th 2020, and on November 11th 2020, provide details of the FY19 spend and proposed plans for addressing the FY19 spending gap. Ballad's letter dated October 14, 2020, to the TDH provides the same. For the

TDH, a new Children's Plan was to be submitted. That revised Children's Health Plan was submitted on April 2, 2020. For the underspend, both Departments agreed to Ballad placing funds equal to the amount of underspend into Board designated funds for the applicable plans. The appropriate amounts were placed into those funds as certified by Ballad Health's Chief Financial Officer.

ii. FY20 and FY21 Plan Spend – In a letter dated September 4, 2020, while under temporary suspension of the spending requirements, Ballad notified the VDH of an anticipated Material Adverse Event under Condition 17. Ballad provided notice of anticipated underspend to the TDH in the October 14, 2020, letter. In a letter dated July 1, 2021, Ballad notified the state and commonwealth that Ballad spending in FY20 was short of its commitment for the eight month-period in which Ballad's spending requirements were not temporarily suspended. It is worth noting that in good faith, Ballad and the Departments agreed to pro-rate the spending through the first 8 months of FY20 in order to determine what spending would apply through the day of the suspension. While this approach is somewhat arbitrary, it was the most logical way to account for the mid-year circumstances. The only mechanism in the TOC for calculating the spend is an annual calculation. Ballad cured the underspend for FY20 by appropriating any shortfall in spending commitments in Board designated funds and segregated the dollars on the financial statements and in separate bank accounts. As future year spending occurs and the commitments are fulfilled, these appropriated funds are to be released.

While the spending commitments for a portion of FY20 and all of FY21 were temporarily suspended as a result of the COVID public health emergency, Ballad continued to spend on COPA Plans. There were no COPA Plan spending commitments for FY21.

The CCO and the state COPA Monitor requested the Internal Audit Department of the Office of Corporate Compliance conduct a review of the system's spending as measured against the spending requirements by the TOC. The review is intended to ensure Ballad spend is appropriate under the requirements set forth in the TOC. This is now an ongoing process that is reviewed by the COPA Monitor.

Charity Care

i. Ballad Health spent more than $55 million in FY21 for Charity and Unreimbursed TennCare & Medicaid. While below the projected baseline from fiscal year 2017, this spending was impacted by the decline in volumes, an increase in Medicaid reimbursement from TennCare and Virginia Medicaid, and the ongoing expansion of Medicaid in Virginia. The volume declines, accelerated by the global pandemic, resulted in fewer charity patients in FY21. There have been no assertions or complaints that Ballad Health is not in compliance with its charity policy. Ballad was granted a formal waiver of noncompliance per Section 4.03(f)(vi) of the TOC from the TN COPA Monitor on February 16, 2022.

D. COPA Compliance Report on the Joint Commission (TJC) and Centers for Medicaid and Medicare Services (CMS) Immediate Jeopardy (TOC 4.02 (a)(ii) and CA Condition 13)

i. All Ballad Health hospitals have been surveyed and are deemed eligible for participation in Medicare and Medicaid. Ballad Health facilities are subject to periodic complaint surveys initiated either by patient complaints or through self-reported events established through a process utilized by the Joint Commission or state survey agencies on behalf of CMS. If there is a situation where an immediate jeopardy is issued, the CCO reports the event as required. Ballad Health is in compliance with these provisions.

E. COPA Compliance State Notification of Material Adverse Event (TOC 6.04 (d)(i) and CA Condition 17)

i. Ballad continued to operate in FY21 with select sections of the TOC and CA temporarily suspended due to the COVID Force Majeure event reported in the fiscal year 2020 Annual Report. Following is a summary of the actions taken by Ballad as a result of COVID-19 during FY21 which lead to formal communication to TDH or VDH.

TEMPORARY WAIVERS REQUESTED	DATE SUBMITTED	PURSUANT TO TOC AND CA
Waiver request for temporary suspension of Inpatient services at certain Ballad Health Hospitals	7/16/2020	TOC 4.03(a)(ii)
Request for extension of the temporary suspension of Inpatient services at certain Ballad Health Hospitals	9/14/2020	TOC 4.03(a)(ii)
Plan to reinstitute Inpatient services at certain Ballad Health hospitals	10/16/2020	TOC 4.03(a)(ii)
Update on plan to reinstitute Inpatient services at Unicoi County Hospital	10/28/2020	TOC 4.03(a)(ii)
Request for extension of temporary suspension at Unicoi County Hospital	12/9/2020	TOC 4.03(a)(ii)
Plan to reinstate Inpatient services at Unicoi County Hospital	2/9/2021	TOC 4.03(a)(ii)

ii. On March 19, 2021, Ballad Health sent a letter to Commissioner Oliver, Commissioner Piercey and Chairman Kilgore to provide notice of a Material Adverse Event as a result of the Tennessee Supreme Court's ruling declining to review the appellate court's decision Highlands Physicians, Inc. v. Wellmont Health System. Ballad previously reported updates on this case through courtesy notices while the case made its way through the appeals process.

F. COPA Compliance Office Forecast of Expenses (TOC Exhibit F, Section 2, bullet 9)

Below is a forecast of expenses which supports only the functions of the COPA Compliance Office for FY22. There are significant additional costs related to compliance, including staff costs and other direct costs of compliance. Ballad will provide those estimates upon request.

COPA Compliance Department FY22 Projected Expenses	
Operating Expenses (Salaries, Benefits, Office Supplies & Education)	$ 465,000
Projected TN COPA Fees	555,000
Projected VA Cooperative Agreement Fees	350,000
Legal Fees	400,000
TOTAL	**$ 1,770,000**

G. COPA Compliance Plan and Work Plan (TOC Exhibit F, Section 2)

i. During the Reporting Period the COPA Compliance Office updated the COPA Compliance Plan and Work Plan that details the structure and elements of the COPA Compliance Program and this document was approved by the Audit and Compliance Committee of the Ballad Health Board of Directors.