

Report to Our Communities

February 2018 - December 2020



Letter from Alan Levine, Chairman of the Board and Chief Executive Officer:



Since its creation, Ballad Health has been, and continues to be, committed to serving as a proactive community partner dedicated to improving the overall health and well-being of the nearly 947,000 people in the Appalachian Highlands.

While many nonurban and rural health systems across the nation struggle to survive in a volatile healthcare environment, Ballad Health has sought a different path by partnering with state officials to improve our population's health, retain local healthcare governance and uphold the fiduciary responsibility that comes with managing such important community assets.

Most of the hospitals in the nation that have closed in the last decade have been in rural communities similar to those served by Ballad Health. The cause is largely related to the combination of little population growth, declining use rates for inpatient hospitalization and, generally, a mix of patients with less commercial health insurance coverage relative to suburban and urban communities. Setting Ballad Health apart is its scale, which permits a realignment of resources to enhance quality, reduce cost and be responsive to the evolving needs of the communities it serves.

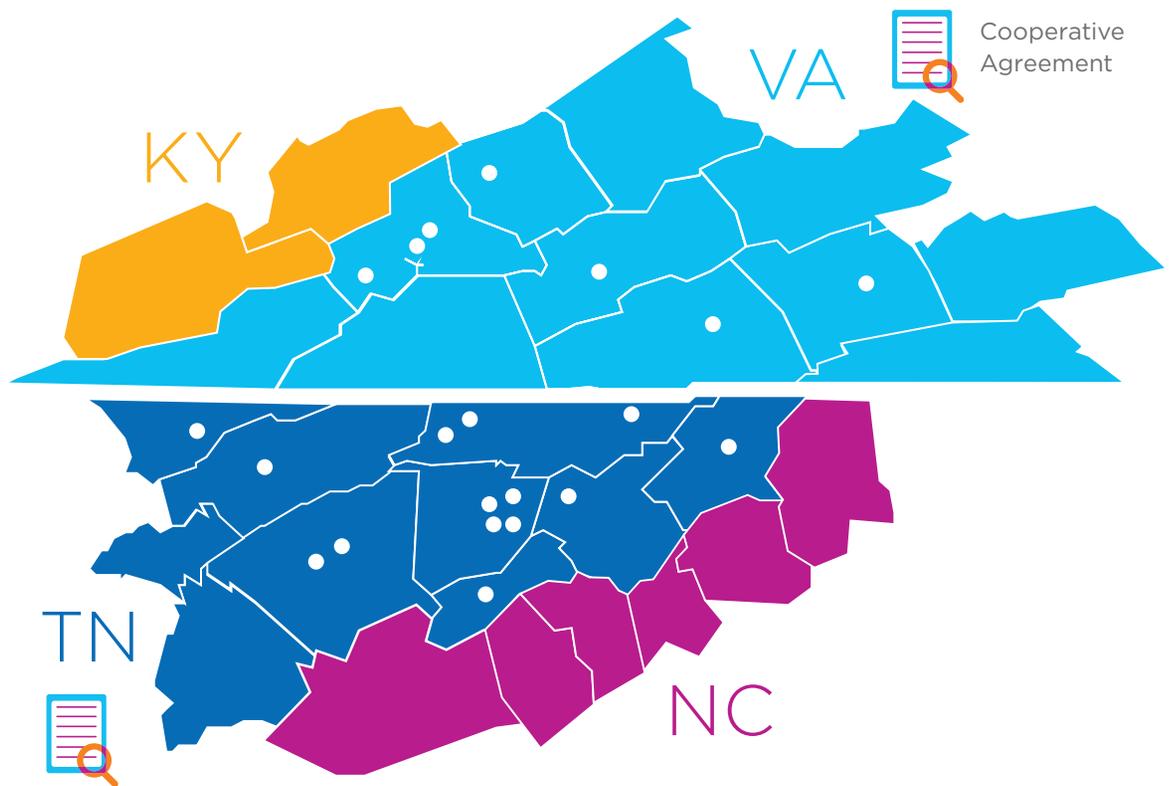
Our region has a variety of health, economic and other issues that, when combined, present a unique and challenging environment for healthcare access and outcomes. These unique challenges were reaffirmed in a 2017 report issued by the Appalachian Regional Commission, the Robert Wood Johnson Foundation and the Foundation for a Healthier Kentucky (Health Disparities in Appalachia), which found that the health outcomes in the greater Appalachian region are worse than those experienced in the United States as a whole in seven of the 10 leading causes of death: heart disease,

cancer, chronic obstructive pulmonary disease (COPD), injury, stroke, diabetes and suicide. The region also faces economic challenges, with its performance in incomes, poverty rates, unemployment rates and postsecondary education lagging behind the national averages, which, as the study notes, is relevant because socioeconomic and health outcomes are often interrelated, if not interdependent.

By reducing the wasteful duplication of resources, Ballad Health has been able to reduce costs for patients and employers, while investing in needed specialties, children's services, behavioral health services and academics and research. In addition, since the merger, Ballad Health has demonstrated measurable improvement in quality of care, which now performs among the top decile in the nation in several metrics.

Ballad Health is proud of the partnerships we have established in the region and throughout the nation. From our work with Harvard University Medical School on rural hospital research, to clinical relationships with Vanderbilt University, to our nationally-renowned cardiology training and clinical trials programs and, of course, our relationships with our academic partners, including, among many others, East Tennessee State University (ETSU), the Quillen College of Medicine at East Tennessee State University, University of Virginia at Wise, Emory & Henry College, Edward Via College of Osteopathic Medicine and Milligan College. Ballad Health is excited about the chance we have to make a positive difference.

We hope this Report to Our Communities is informative, and we certainly encourage you to stay informed about what we are doing, and how you can be involved.



Certificate of Public Advantage

2018
merger

29
counties

21
hospitals

-  a dedicated children's hospital
-  several community hospitals
-  three critical access hospitals
-  a behavioral health hospital
-  an addiction treatment facility
-  long-term care facilities
-  home care and hospice services
-  retail pharmacies
-  outpatient services
-  a comprehensive, fully integrated physician practice with locations throughout the region

Our Ballad Health values, determined by our team members

Ballad Health is proud that in 2020, Forbes Magazine named our organization one of the “best employers for diversity” in the United States, ranking Ballad Health 29th in the nation among all employers. This is no accident. Ballad Health encourages and welcomes the input of our team members every day. And regardless of who they are, where they come from, their race, gender or any other distinction, Ballad Health is made stronger by their involvement.



When Ballad Health was formed, we asked our team members to help define our values, and our values are built from their perspective.

These values guide how we interact with each other, our patients and our community.

The values Ballad Health adopted at the recommendation of our team members are:

- **Creativity** – We seek to discover and promote innovative ideas and the unique talents of each team member to bring value to our community.
- **Caring** – We listen with empathy and appreciation and respond with kindness and compassion.
- **Honesty** – We own our actions and practice the highest ethical standards with transparency and fair behaviors.
- **Respect** – We appreciate the strengths of our community and practice true collaboration and skilled communication in everything we do.
- **Faith** – We nurture the mind, body and spirit of each individual to inspire hope and improve the health and well-being of our community.
- **Quality** – We work as a team to bring best practices, advanced technology and experiences to provide the highest-quality care. We devote ourselves to continuous improvement, service excellence and a zero-harm environment.



Our mission

Honor those we serve by delivering the best possible care



Our vision

Build a legacy of superior health by listening to and caring for those we serve



Our values

Creativity
Caring
Honesty
Respect
Faith
Quality



There are so many people who have worked here **15, 30 years.**



Osarueme Osazee, RN



Since its creation, Ballad Health has been, and continues to be, a proactive community partner dedicated to improving the overall health and well-being of the nearly 947,000 people in the Appalachian Highlands.



Alan Levine

Chairman of the Board and
Chief Executive Officer

Steps taken by Ballad Health and the results related to the benefits established in law by the State of Tennessee and Commonwealth of Virginia

Ballad Health is a not-for-profit integrated healthcare delivery system consisting of 21 hospitals in Northeast Tennessee and Southwest Virginia, including a dedicated children's hospital, several community hospitals, three critical access hospitals, a behavioral health hospital, an addiction treatment facility, long-term care facilities, home care and hospice services, retail pharmacies, outpatient services and a comprehensive medical management corporation.

Serving 29 counties in Northeast Tennessee, Southwest Virginia, Northwestern North Carolina and Southeastern Kentucky, Ballad Health was formed in 2018 through a merger of two legacy health systems. This merger was made possible through overwhelming bipartisan action of the General Assemblies of Tennessee and Virginia, in addition to each state's governor, attorneys general and health commissioners.

Through official state action, the merger was sanctioned under state-action immunity in compliance with federal antitrust law. The action approving the merger was officially taken through the agreements made between Ballad Health and the State of Tennessee in the Certificate of Public Advantage (COPA) and the Letter Authorizing the Cooperative Agreement (CA) in Virginia.

The ultimate policy supporting the imposition of state-action immunity is determined by the states' General Assemblies, and the clear advantages of the COPA and CA are contained in statute. These priorities, created by the general assemblies and affirmed by the governors of the states, are the benchmarks by which the benefits of the merger are measured.

Steps taken by Ballad Health and the results related to the benefits established in law by the State of Tennessee and Commonwealth of Virginia

As a not-for-profit, private entity, Ballad Health seeks to be socially responsible. To that end, we agreed to ensure we consistently meet the highest standard of public benefit for the residents of the Appalachian Highlands.

This application of state-action immunity was required due to the consolidation of inpatient services, thereby reducing their competition in the region. However, even combined, those services contribute only 40% of the system's revenues. The overwhelming majority of Ballad Health's revenue is comprised of outpatient services - and those remain highly competitive within the service area.

Ballad Health has implemented numerous initiatives that are proven benefits to the public. While there are too many to list in this report, we have chosen to provide a sampling.

These priorities, as articulated by law, are the critical success factors for whether the policy contained within statute is being accomplished. The policies articulated by the General Assemblies and governors are the guiding principles for the board of directors and leadership of Ballad Health. These policies speak toward the benefits of the merger, as outlined in Tennessee and Virginia law, and include:

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

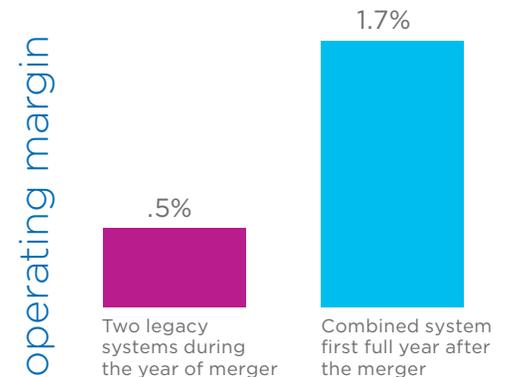
In Virginia, the law provides for two additional benefits, including "total cost of care" and "participation in the state's Medicaid program." In Tennessee, the law provides a unique benefit of "the extent to which medically underserved populations have access to and are projected to utilize the proposed services." Regardless of whether the benefits were unique to a state, Ballad Health prioritizes all them throughout the region. These priorities, as established in law by the General Assemblies, are important to setting the policies of state-action immunity doctrine.



To read more detailed accomplishments and achievements, visit our [website](#).

Financial stability

Ballad Health is also achieving its promise to bring financial stability to its two legacy health systems, which had a combined operating margin of .5% prior to the merger. Ballad Health reduced unnecessary administrative and overhead cost, improved quality, eliminated unnecessary duplication of high-cost services and sought better supply pricing - all of which further reduced the overall cost of care for the Appalachian Highlands. After the first year of the merger, the combined system produced an operating margin of just more than 1.7%. This improvement was made despite Ballad Health investing millions of dollars into a population health infrastructure, Epic electronic medical record platform, provider recruitment, academics and training.





Linda

open-heart surgery

In January 2019, Linda underwent double bypass surgery after doctors had been monitoring blockages in her heart following a heart attack four years earlier.

“Ballad Health was amazing to me. I had a great experience. There were four or five nurses that I had during my recovery process who I’ve seen out, and they all recognized me and asked how I was doing. It’s just a good feeling knowing it’s all behind me, and I can focus on the future. My scar (from surgery), I’m happy to have it, because I’m still here because of it and because of the team at Ballad Health and Johnson City Medical Center.”



A few examples of our commitment to improving the overall health and well-being of our region

- Bristol Regional Medical Center and Franklin Woods Community Hospital earned the 2019 BEST for Babies Tennessee Hospital Association Award.
- Forbes Magazine ranked Ballad Health as the highest-ranked employer in Tennessee and Virginia during 2020 for diversity.
- In 2019, Forbes named Johnson City Medical Center among the top 10 “Best Places to Work” in Tennessee.
- Becker’s Hospital Review listed Hancock County Hospital as one of “67 Critical Access Hospitals to Know” for the fourth consecutive year in 2019.
- Hawkins County Memorial Hospital was listed by Becker’s Hospital Review as one of “100 Great Community Hospitals” in 2019 for the fourth consecutive year.
- In 2019, Harvard University and UnitedHealthcare recognized Ballad Health as one of four healthcare organizations leading the way towards a 3D model for value-based care.
- In 2020, Holston Valley Medical Center and Bristol Regional Medical Center earned the Mission: Lifeline® Gold Receiving Quality Achievement Award for implementing the American Heart Association’s specific quality improvement measures for patients who suffer severe heart attacks.
- U.S. News & World Report:
 - Reported Bristol Regional Medical Center as a High-Performing Hospital, and the hospital’s Advanced Total Hip and Knee Replacement Center was nationally ranked as high-performing in knee replacement
 - Reported Holston Valley Medical Center as a High-Performing Hospital and gave the hospital the highest rating possible in four adult procedures and conditions, including abdominal aortic aneurysm repair, chronic obstructive pulmonary disease, heart failure and knee replacement
 - Recognized Johnston Memorial Hospital as a high performer in management of chronic obstructive pulmonary disease (COPD) and heart failure



We also are **encouraged** and **supported** to get certifications that **advance** us as professionals. 

Rachel Garrard, RN
Cardiac Patient Navigator

A few examples of our commitment to improving the overall health and well-being of our region

- In 2020, Johnson City Medical Center, Bristol Regional and Franklin Woods Community Hospital all received a Blue Distinction Center+ designation for maternity care by an independent licensee of the BlueCross BlueShield Association.
- Norton Community Hospital earned a spot on the Lown Institute Hospital Index, coming in at No. 1 in 2020 on its list of rural hospitals. More than 1,000 rural hospitals across the country were included in this list.
- Smyth County Community Hospital is the only hospital in Virginia to receive the Centers for Medicare and Medicaid Services' Five Star Patient Experience Rating accolade, and it is only one of 266 hospitals in the nation to receive this distinction.

- The cardiovascular program at Holston Valley Medical Center has earned significant accolades during the past decade, including a No. 1 ranking in 2016, 2017 and 2018 for medical excellence in interventional carotid care by CareChex®. Holston Valley was also recognized in 2019 and 2020 as one of the nation's 50 Top Cardiovascular Hospitals by IBM Watson Health, the only hospital in Tennessee to achieve the honor.

Under the leadership of Dr. Chris Metzger, director of Holston Valley's diagnostic catheterization and interventional labs, the cardiology program at Holston Valley has performed as the No. 1 or No. 2 enroller in at least 29 top research trials, including being the current leading enroller in four major trials.

Dr. Metzger has participated in livestreamed procedures for medical conferences across the country and the globe. Most recently, in January 2019, Holston Valley was selected one of only two medical facilities in the United States to serve as a demonstration site for the Leipzig Interventional Course (LINC) 2020 conference.



Leipzig Interventional Course (LINC) 2020 conference



No. 1 or No. 2 enroller in at least 29 top research trials

Charitable contributions

From its inception in February of 2018 through December 2020, Ballad Health made significant contributions, totaling almost \$9 million, through its community responsibility program and various philanthropic initiatives to benefit the communities we serve. A few examples of contributions included:

- A full-body scanner at the Sullivan County Main Jail Facility to improve safety and security for the Sullivan County Sheriff's Office
 - Funds towards the region's first-ever Miracle Field Park in Kingsport, a regional asset developed for the purpose of ensuring children with disabilities have equal access to opportunity to participate in sports
 - A donation to help build King Commons Park in downtown Johnson City (the three-acre park includes winding paths, a mural and an amphitheater)
 - Donations to Speedway Children's Charities, a nonprofit organization that provides funding to meet the direct needs of children across the nation
 - Contributions to Feeding Southwest Virginia, a food bank in Southwest Virginia that provides food and meals to those in need
 - New EKG equipment for regional emergency medical services to assist in accelerating diagnosis and management of people with cardiac events who might need to be transported for emergency medical care
- Support for regional programs for school children, including an international robotics competition, local high school bands, summer backpack programs to ensure children receive nourishment, literacy programs, programs for assisting children impacted by childhood trauma and support for children who suffer from cancer and other high-risk illness
 - In 2018, Ballad Health played a leading role to help bring the World Long Drive Association to Kingsport's Cattails at MeadowView Marriott Conference Resort and Convention Center. Called Tennessee Big Shots, the long drive competition is part of the Niswonger Children's Hospital Classic, a signature golf tournament hosted by Ballad Health that attracts top players from the PGA, LPGA and PGA Champions tours.

Airing live on the Golf Channel, the event showcased the beauty of the Appalachian Highlands and helps drive tourism to the area. In 2018, the free event attracted a standing-room only crowd of thousands, and more than 100,000 others from 66 different countries watched the event on the Golf Channel.



Almost
\$9 million
through Ballad Health's community responsibility program and various philanthropic initiatives

Community benefit



3-year total benefit 
\$419,974,172



\$4,172,706

3-year contributions to health promotion programs



\$28,896,497

3-year community health improvement services



\$521,738

3-year research



\$75,112,627

3-year health profession education



\$28,396,281

3-year subsidized health services



\$115,980,306

3-year charity care



\$166,894,017

3-year unreimbursed care

Supporting our communities through a pandemic

On March 10, 2020, Ballad Health executed its disaster plan in response to the coronavirus disease 2019 (COVID-19) global pandemic. This included the activation of its Corporate Emergency Operations Center (CEOC) to coordinate efforts across the system and around the region to rapidly plan for, and execute, ongoing response to the issues resulting from the COVID-19 pandemic.

Beginning on or about March 17, 2020, Ballad Health began experiencing an organic and material slowing of elective procedures and diagnostic services. Effective March 23, Ballad Health complied with federal and state guidance to cease all non-emergent, elective procedures. Beyond the deferral of these procedures and diagnostic testing, Ballad Health experienced a decline in other types of medical treatment similar to that experienced by most health systems and physician organizations – physician practice, urgent care and other routine medical service visits declined precipitously.

Comparing the fourth quarter of 2020 to the prior year, Ballad Health saw a 22.6% decline in acute discharges, a 29.3% decline in surgeries performed in hospital settings; a 26.9% decrease in inpatient surgeries; a 30.6% decrease in outpatient surgeries; and a 34.7% decrease in emergency department visits.

Due to these unique circumstances and the material adverse effect COVID-19 imposed on the health system, the Tennessee Department of Health and the Virginia Department of Health temporarily suspended certain provisions of the COPA and the CA, respectively, providing flexibility for Ballad Health to plan for, and respond to, the various issues related to the pandemic.

During the 2020 fiscal year, Ballad Health's total expenses decreased by 1.4%, or \$29 million, when compared to the prior year. Cost reduction efforts also resulted in almost \$50 million in savings for the fourth quarter of 2020.



Fourth quarter of 2020, compared to the prior year



Supporting our communities through a pandemic

In May 2020, Ballad Health partnered with Premier, Inc., on a new program to ensure our team members and patients are always protected through the availability of personal protective equipment, such as gloves, gowns and masks. This program focused on investing in domestic manufacturers to enhance supply chains for essential medical products and PPE.



This program led to Ballad Health acquiring a minority stake in Prestige Ameritech, the largest domestic manufacturer of face masks, including N95 respirators and surgical masks. PPE products critical for the daily operations of health systems are overwhelmingly sourced

overseas, with approximately 80% coming from China and Southeast Asia. The risks associated with this overreliance on Asia came into sharp focus twice in 2020, as the supply chain was disrupted when a manufacturing plant in China failed to meet FDA requirements for sterile gowns, and again as the COVID-19 pandemic swept across the globe. During the pandemic, these nations closed borders and prevented U.S. access to supplies, triggering widespread shortages of products needed to protect healthcare workers. In contrast, Prestige Ameritech operates primarily in the United States, where it obtains its raw materials. Ballad Health is proud to be an owner of this company.



If you could stop just one case by wearing a mask or staying home when you didn't have to go out, it would help us so much. If everybody did that for one person, I think we could stop this.

- Emily, ICU nurse

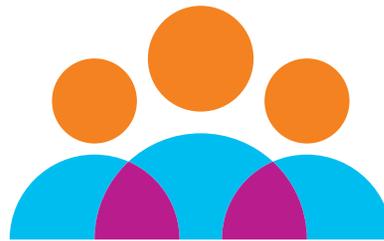


Frontline team member encourages the community to keep each other safe.

Our team members

For every pillow propped, every test given.
For every question answered, every call taken.
Ballad Health is grateful for all our team members do.

Great
patient
care
doesn't
just
happen.



It takes nearly **14,000 team members** – physicians, lab technicians, nurses and everything in between – working together.

Every hour, every day of the year, our team members provide **exceptional healthcare** to the patients and families we serve.



Over the past
three years

\$11,401,400

invested in COVID-19 related pay incentives

\$18,077,150

invested in pay adjustments for team members

More than

\$83.6 million

in team member contributions
to retirement plans

Our team members

More than
6,849
new hires

\$775,000
provided in Food City gift cards

More than
\$1.1 million
given in tuition to team members to support ongoing career development and in scholarships to our area educational partners in support of community members and others pursuing targeted clinical careers including nursing

\$500,000
committed to providing to building spaces dedicated for team members to have a space for moments of quiet reflection and relaxation



Transitioned to virtual team member orientation in 2020



Nearly 200 leaders have participated in our Onboarding Leader Program



More than 3,000 team members have participated in our Aspiring Leader Program



We partnered with Speedway in Lights to provide “Family Night Out” for every team member

Our team members

- **We committed more than \$100 million over 10 years to increase nursing wages for frontline nursing team positions.** This investment was one of many steps we took to address the national nursing shortage, with the U.S. federal government projecting, even prior to the COVID-19 pandemic, a shortfall of 800,000 nurses in 2020.

This particular wage increase applied to a variety of nursing positions, including acute care registered nurses (RNs), licensed practical nurses (LPN), certified nursing assistants (CNAs) whose primary responsibility is direct inpatient care, scrub techs, long-term care LPNs and CNAs, clinic LPNs and certified medical assistants, behavioral health techs and telemetry techs.

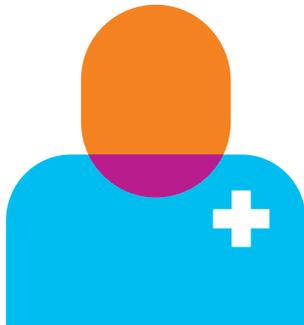
- **Ballad Health's Business Health Collaborative was formed** with the goal of best practice sharing among regional businesses to support health and wellness strategies, in order to enhance high-value care while reducing low-value care and develop productive recovery pathways for employees or prospective employees dealing with substance use disorder. Participants have the opportunity to benefit from national experts and to learn from regional peer approaches.



- **Ballad Health has recruited new physicians and advanced practitioners to the region** to improve access to primary care and specialty care. Areas of specialty include anesthesiology, cardiology, cardiothoracic surgery, endocrinology, family practice, general surgery, gynecology, hematology, hospitalist, intensivist, maternal-fetal medicine, nephrology, neurology, neurosurgery, OB/GYN, oncology, orthopedics, pain management, pediatrics, pulmonology, psychiatry, radiology, urology, wound care and vascular medicine.

While recruitment presents unique challenges in rural areas, Ballad Health has successfully recruited 287 new providers to serve our region since the merger was complete in 2018: 136 new doctors – including six highly-specialized pediatric specialty physicians – and 151 advanced practice providers.

The six pediatric subspecialty providers, successfully recruited in 2020, provide care in the areas of gastroenterology, intensive care, hospitalist, surgery, neurology and hematology/oncology. To meet rural access needs in Southwest Virginia, Ballad Health also recruited a pulmonologist to Wise County and initiated recruitment of a psychiatrist to Russell County during 2020.



Recruited since the merger

136

new doctors

151

advanced practice providers

Our team members



Starting from within: Our B-Well program helps Ballad Health set a wellness example for the region

Ballad Health's B-Well initiative was launched to provide health improvement and well-being resources to team members and their families. These resources include guidance, support and champion teams within the system for nutritional choices, physical activity, health awareness and self-care and emotional and mental well-being.



Randy

Randy Hodge, Ballad Health's senior graphic designer and longtime member of the corporate marketing and communications department, has lost 60 pounds over a one-year period. The key is his winning combination of B-Well and the Weight Watchers program (now called WW), as well as regular exercise in the form of daily walking. Randy's walking goal is five miles per day.

"Since my college days, my weight went up and down, but it was always well over 200 pounds," he said. "But with the launch of the B-Well program, I've really committed to Weight Watchers, followed the guidelines and attended the meetings for accountability. Facing the scale at the meetings can be intimidating, but the support and encouragement from the people there is wonderful."



I was a coal miner like lot of other people here in Dickenson County, Virginia. It's a different path to becoming a doctor, but that's my story.



Dr. Roy Deel

Roy Deel, DO

From coal miner to small-town doctor

Dr. Roy Deel's interest in medicine started when he became an EMT at the mines to save his job when layoffs were predicted, as the mine companies were required to have someone trained for medical emergencies on-site. When the mines finally closed, his aunt suggested he consider becoming a registered nurse.

"I left my job with no other job to fall back on, no income and went to school. I worked three part-time jobs, got my associate's degree and started working as a nurse at the old St. Mary's Hospital in Norton," said Dr. Deel, who prefers people just call him "Roy."

His desire to provide a higher level of care for the people in his rural Virginia county encouraged him to pursue medical school with plans to return and work among the family and friends he grew up with. Now, he says one of the perks of practicing in his familiar community is running into patients outside the office and having the chance to talk with them and listen to their stories.

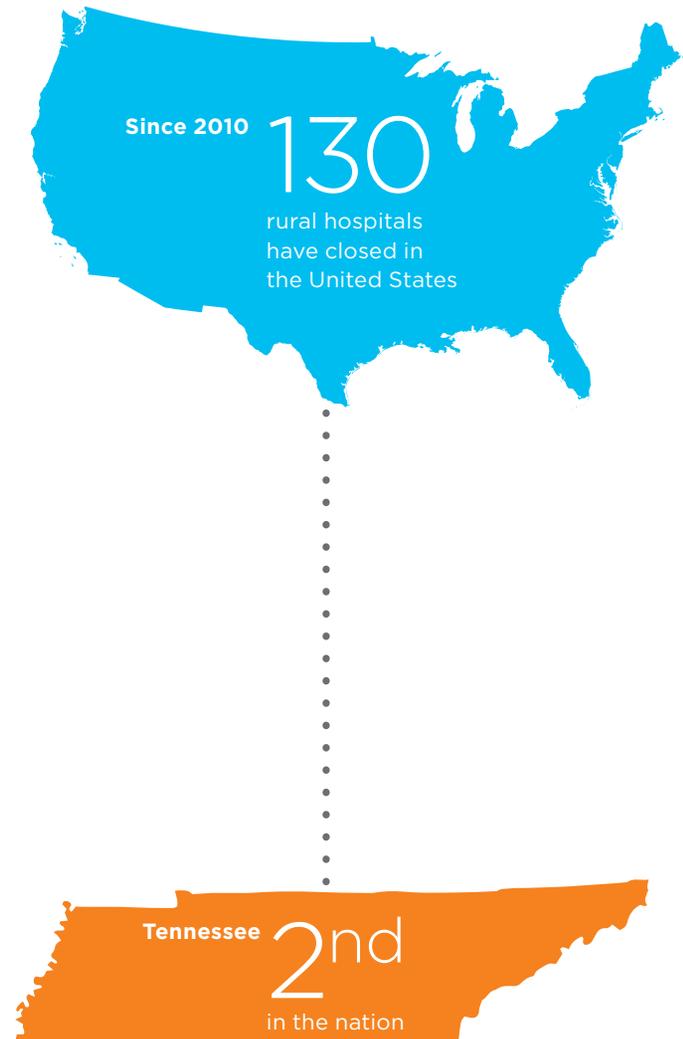
Still, he points out that being an internist in a rural area can be tough. "We don't have specialists here. For doctors like me, you are the specialist. You're the cardiologist, the pulmonologist - you're all of it, so it's a very big responsibility."

He also has a passion for caring for the elderly.

"Older folks will come in and tell how they've been mowing their yard or working in their garden, and I feel like maybe I've been a little part of them being able to do that," Dr. Deel said. "I just love coming to work, because I'm doing what I love to do. This is home."



Re-imagine rural healthcare



with 14 rural hospital closures between 2010 and 2020.

Since 2010, more than 130 rural hospitals have closed in the United States, according to the North Carolina Rural Health Research Program. Compared to other states, Tennessee ranks second worst in the nation, with 14 rural hospital closures between 2010 and 2020.

Studies have shown rural communities that lose their hospitals struggle with reductions in access to physicians, healthcare services and in overall health status.

A key benefit of Ballad Health, however, has been the retention of hospitals in rural communities of the Appalachian Highlands – bucking the national trend. In fact, every community in the region with a hospital prior to the merger creating Ballad Health continues to be served by a hospital, even in the face of millions of dollars of annual operating losses in many of those hospitals.

Before 2018, four hospitals in Northeast Tennessee and three hospitals in Southwest Virginia were reporting ongoing annual operating losses, with several at risk of closure, in addition to one hospital that closed in Lee County, Virginia, in 2013. These included Holston Valley Medical Center, Unicoi County Hospital, Laughlin Memorial Hospital, Takoma Regional Hospital, Dickenson Community Hospital, Mountain View Regional Hospital and Russell County Hospital. To put the size of the losses in context, the hospitals in Greene County, Tennessee (Laughlin Memorial and Takoma Regional) reported losses totaling more than \$71 million between 2015 and 2017. Holston Valley reported annual losses amounting to more than \$80 million in the five years preceding the merger.

This is what makes Ballad Health’s merger so unique – the scale and ability for larger and more financially solvent hospitals to subsidize losses in smaller rural communities is a clear and convincing foundational public benefit created by the merger that created Ballad Health. It is clear the steps Ballad Health has taken to reduce overhead cost, realign services, invest capital and prioritize high quality have led to the sustainability of services that existed prior to the merger creating Ballad Health – expanding, rather than reducing, access, as has been seen in rural regions throughout the nation.



Without the Ballad Health merger, Virginians could have lost healthcare when they needed it most. 

- [The Roanoke Times](#)

Re-imagine rural healthcare

Neither of the preceding organizations, Mountain States Health Alliance nor Wellmont Health System, were able to sustain this on their own, and in fact, strong indications were that any entity that would acquire either system would insist on closures of hospitals with operating losses. The subsidization of these rural hospitals, which has kept them open, is an incremental benefit not otherwise achievable without the merger.

Since the merger, Ballad Health has worked to retain access to existing rural hospitals, expanded access to rural care, and has seen improved financial sustainability of several of these facilities.

Examples of how we are re-imagining access to rural healthcare include:

- **Lee County, Virginia:** Ballad Health has submitted an application to the Centers for Medicare and Medicaid to designate Lee County Community Hospital as a Critical Access Hospital. While the new hospital is renovated, Ballad Health has opened a new urgent care center adjacent to the future hospital to provide residents in the area with immediate access to care.
- **Banner Elk, North Carolina:** Pursuing its goal to expand access to care in rural communities, Ballad Health officially opened a new urgent care center in Banner Elk, North Carolina, in July 2020. The urgent care center is the only one in Banner Elk, which is home to Lees-McRae College, and it marked Ballad Health's first service location in the Tar Heel State.
- **Greene County, Tennessee:** During the 2018 fiscal year, the two hospitals in Greene County, Laughlin Memorial and Takoma Regional, saw combined operating losses of \$11 million, with cumulative two-year losses totaling nearly \$25 million. As competing hospitals in the community, both hospitals were failing financially. It was evident that both hospitals were likely to fail. With Ballad Health's creation, both hospitals were consolidated into one, with Laughlin Memorial being renamed



Greeneville Community Hospital. The former Takoma Regional Hospital is now being converted into a new service for the region – Strong Futures, a residential facility for women who are pregnant and suffer from substance abuse disorders. Under this new model, Greeneville Community Hospital, the newly consolidated acute care hospital, has reversed its losses and is becoming financially sustainable. The new residential facility for women, a service never contemplated before for our region, has received overwhelming support from legislative leaders, with the State of Tennessee committing to an investment of \$7 million to support the first two years of the program. This transformation in Greene County is not only an example of the clear benefits of the merger creating Ballad Health: It is also an example of how one community in the region can be part of a solution to a problem the entire region faces – the unfortunate challenge of addiction and its impact on mothers and children.

- **Wise County, Virginia:** Now operating as a single health system, Ballad Health was able to keep nearly 700 more patients in Wise County, Virginia, for their care during the 2019 fiscal year who would have otherwise had to travel outside the county before the merger. Many of those patients were surgical patients who would have previously been referred outside of Wise County to receive care due to physicians' inability to provide cross coverage among Wise County hospitals that were competitors. Although the county saw no population growth in 2018, the number of surgeries performed there increased by more than 20% compared to the prior year. Ballad Health also invested \$2.2 million in 2018 to update facilities in Wise County with new equipment and spaces, such as new cardiac stress test equipment, more telemedicine capabilities and renovations to the long-term care facilities. Following the recommendation of local physicians, Ballad Health, with the support and approval of the

The **State of Tennessee** provided, a grant of more than **\$7 million** to invest in the **Strong Futures program for women.**



Re-imagine rural healthcare

Commonwealth of Virginia, has consolidated certain services, such as surgery, critical care and obstetrics, to Norton Community Hospital, and it is funding enhancements to emergency care and primary care at Lonesome Pine Hospital. A consolidated and better coordinated health system in Wise County, for the first time, will lead to improved financial stability for this rural health network, more consistent physician coverage at a higher volume hospital and improved quality.

- **Through intensive efforts in partnership with physicians throughout the region**, Ballard Health saw a reduction in lower-acuity admissions - with a decrease of more than 16,000 annual admissions. And Ballard Health's strategy to increase access to lower-cost urgent care through reductions in pricing for these services, as an alternative to higher-cost emergency room care, resulted in a reduction of approximately 130,000 annual emergency room visits. Combined, these efforts have reduced the cost of healthcare by more than \$200 million annually.

- **When Ballard Health was formed, we increased the threshold for patients who are eligible for charity care**, which is care provided for free or at reduced prices to low-income patients. This policy increased the number of patients with low incomes who would qualify for charity care. Based on the 2020 poverty guidelines, the threshold for qualifying for full charity care at Ballard Health was increased from 200% of the Federal Poverty Level to 225% (\$52,500 for a family of four to \$58,950) on a sliding scale. Additionally, we provide discounts to patients with or without insurance whose incomes are above 225% and up to or equal to 450% of the federal poverty level. This equals approximately \$117,900 for a family of four based on the 2020 guidelines. In the last full fiscal year, Ballard Health provided free care worth more than \$60 million - cost that is not reimbursed by any payer nor recovered from the patient who qualifies for charity assistance.
- **Ballad Health reduced physician fee prices and urgent care prices for all patients by an average of 17% after the merger.** For patients without insurance, we increased the overall discount from 77% to 85% at all Ballard Health physician practices, urgent cares, diagnostics and hospitals.

Ballad Health provided free care worth more than \$60 million

cost that is not reimbursed by any payer nor recovered from the patient who qualifies for charity assistance



85% discount
for those without insurance at all Ballard Health physician practices, urgent cares, diagnostics and hospitals



More than **\$200 million** annual cost **savings** to taxpayers, employers and patients

Re-imagine rural healthcare

- **Creation of a single, coordinated regional trauma system:** One of the most significant ways Ballard Health has been able to comply with the provisions of the Certificate of Public Advantage and Cooperative Agreement, which required avoidance of duplication of services where appropriate, was the consolidation of the two Level I trauma centers operating in the region and the subsequent creation of a coordinated regional trauma system. In approving this move in advance, the State of Tennessee relied upon the evidence published in multiple respected studies which found higher volume trauma centers lead to improved outcomes. The move toward a single coordinated trauma system followed the guidance of the American College of Surgeons (ACS), which verifies trauma centers, and Ballard Health is seeking verification of its Level I trauma center. When verified, it will be the first time the Appalachian Highlands will have had its Level I trauma center verified by the ACS.
- **Investment in a consolidated Regional Perinatal Center:** Tennessee law requires a regionalized system of care for high-risk newborns. The result of this law is a policy in Tennessee that recognizes five regional perinatal centers. Niswonger Children's Hospital at Johnson City Medical Center joins Erlanger Medical Center in Chattanooga, University of Tennessee Hospital in Knoxville, Vanderbilt University Hospital in Nashville

and Regional One Health in Memphis as one of the state's five designated centers for regional perinatal care.

Prior to the merger, perinatal care in the Appalachian Highlands did not meet the goals of the state, with two NICUs that were not coordinated and shared volumes. Ballard Health immediately took steps to correct this after the merger, leading to a more sustainable and coordinated system of care for neonates, while also reducing the costs associated with maintaining two lower-volume units.

After this consolidation, Ballard Health partnered with ETSU's Quillen College of Medicine, which provides ongoing expert neonatology coverage for the hospital, ensuring Ballard Health has neonatology provider coverage 24 hours per day. With more than 25 pediatric specialists to provide support for the Perinatal Center, this is the first time every newborn in the region has access to such highly specialized care.

- **Expanded access to pediatric surgeons:** With financial support from Ballard Health and the State of Tennessee, the ETSU Quillen College of Medicine was able to successfully recruit two new, highly qualified pediatric surgeons to support the Niswonger Children's Hospital. This is the first time the region has benefitted from three pediatric surgeons to serve the

needs of children in the region. Similarly, our partners at ETSU's Quillen College of Medicine provide 24/7 neonatology coverage for the NICU, and more than 25 pediatric specialists provide support as well. Ballard Health now proudly meets the highest standards for regional perinatal care, something that was not thought possible prior to the merger creating Ballard Health.

- **Savings to taxpayers** - Ballard Health was among the first health systems to implement and successfully demonstrate that value-based care led to reduced costs through its Accountable Care Organization (ACO), AnewCare Collaborative. Value-based care means payments for healthcare are based on the quality of care provided and in the reduction of the total cost of care. Since the United States Centers for Medicare and Medicaid Services established the shared savings program six years ago, AnewCare has been one of only 18 ACOs in the nation to generate savings for taxpayers each year —saving taxpayers more than \$25 million.

This is the first time every newborn in the region has access to such highly specialized care.

Ayden and Ava

NICU family care

Kim didn't expect to go into labor three months before her due date with twins. When the twins were born, two NICU teams were set up - one for each baby. Then, when the doctor had trouble stopping the bleeding following Kim's C-section, her husband provided consent for a hysterectomy. Afterward, the nurses were understanding and encouraging, explaining the procedures and care provided to Ayden and Ava. When the twins went home at two months old, the nurses continued to support and follow up with Kim and her family.

"They weren't just there to take care of my babies; they were there to take care of me, as well. I don't know if they knew how much that meant to me."



Measuring our impact through research

In order to create a shared awareness of the issues that are most critical to our region, we need to collect and share data on where the needs exist and which interventions are most successful.

Ballad Health funds establishment of new Center for Rural Health Research at ETSU

On July 16, 2019, Tennessee Governor Bill Lee announced the creation of a new Center for Rural Health Research that will be housed at the College of Public Health at ETSU.

ETSU received a \$1.5 million first-year grant from the state for the implementation of the center, and then a recurring \$750,000 annual investment to support the ongoing operations. These appropriations were recommended by Gov. Lee and approved by the Tennessee General Assembly during the 111th legislative session.

Additionally, Ballad Health Chairman and Chief Executive Officer Alan Levine announced the system would contribute more than \$15 million to the center during the course of the next 10 years. The gift is the largest in ETSU history and the largest to-date for the \$120 million capital “Campaign for ETSU” launched in April 2019.

The goal of the Center will be to work with Ballad Health, local healthcare delivery partners, national experts and the leadership of ETSU

Health to identify new mechanisms to improve health in rural and nonurban communities. Specific emphasis will be placed on strategies that disrupt inter-generational cycles of behaviors that contribute to poor health outcomes, which ultimately can affect college- and career-readiness.

“Ballad Health and ETSU are deeply committed to action which will improve economic prosperity for rural and nonurban communities, starting with our own region,” Levine said. “Healthcare institutions do have a role to play in education achievement, and this partnership between the state, ETSU, Ballad Health and other partnerships soon to be developed will be a relevant contributor to making this change happen.”



Ballad Health and ETSU are deeply committed to action which will improve economic prosperity for rural and nonurban communities, starting with our own region



Alan Levine
Chairman of the Board and
Chief Executive Officer

Measuring our impact through research

- As a direct result of Ballad Health's investment in the creation of the Center For Rural Health and Research, and in only its first year, in August 2020, the United States Department of Health and Human Services named ETSU as one of only seven universities in the nation to serve as a federal rural health research center. ETSU is the only non-land grant university to be named, and it is the only non-incumbent university to have such recognition. To signify support of the Center, the Governor of Tennessee proposed, and the state legislature approved, nearly \$8.5 million in recurring funds to support the Center's initiatives. Additionally, in just its first year, the Center has received nearly \$3 million of grant funding for projects, a clear benefit to our academic partners and to rural America.



- **Ballad Health also partnered with ETSU by funding the creation of the Ballad Health Strong Brain Institute and Center for Trauma Informed Care at ETSU.** This center will study the impact of childhood trauma and effective prevention and treatment for children and their families. This effort will lead to regional solutions and research, which places ETSU among the few universities to lead in this effort.
- **Less than one year after the opening of the Center for Rural Health, Ballad Health partnered with Harvard University Medical School and ETSU to engage a rural health economics study** analyzing the plight of rural hospitals and economic forces affecting these important assets.



Measuring our impact through research

- **Ballad Health is currently participating in more than 60 clinical trials**, spanning many fields, including vascular, cardiology and oncology.

Among those research trials, Ballad Health is participating in a trial for breast cancer patients with “triple negative receptors,” which means they have the poorest prognosis and are the least responsive to chemotherapy. Through the trial, these higher-risk patients are offered the opportunity to receive an experimental immunotherapy, in addition to standard chemotherapy to possibly improve their outcome. Throughout the treatment, the patients are closely monitored.

Additionally, Ballad Health has been invited to be one of a select few sites for “first in human” trials. So far, the research team at Ballad Health has been chosen to be the National Primary Investigator for two such trials, one involving a micro-mesh carotid stent and the other involving a new drug-coated balloon utilized in the treatment of peripheral vascular disease.

Since the merger, Ballad Health has hired a corporate director for research who will lead the health system’s research infrastructure, expertise and support throughout the Ballad Health service area. The Ballad Health research team is also working closely with the academic department to advance academic research opportunities and participate in population health studies.

- **To expand education and training in the region, Ballad Health partnered with ETSU in 2018 to create a fellowship program in addiction medicine.** As part of its commitment, Ballad Health will fund any unreimbursed costs of the fellowship program over a 10-year period, which could equal more than \$2.5 million. The goal of this fellowship is an effort to introduce evidence-based care to the families and individuals of Northeast Tennessee and Southwest Virginia.



- **In 2020, Ballad Health also provided \$150,000 in support of Milligan College to expand its Master of Science in Counseling program** to include a concentration in addictions counseling. Graduates of the new concentration will be qualified for licensure as addiction counselors, and current licensed clinical mental health counselors now have the option to add the addictions subspecialty.

- **In April 2019, Ballad Health announced it would create a dental residency program at Johnston Memorial Hospital** that offers advanced training. Through a partnership with Dr. Michael McCracken, Dr. Scott Miller and Mission Dental Virginia, the residency program established the Appalachian Highlands Community Dental Center. There, dental residents provide a variety of services to uninsured community members in need throughout Southwest Virginia. The services are charged on a sliding scale based on the income of the community members.





They've always
supported
me in my
education
or **learning.**



Chris Collins, RN



Focusing on quality

Ballad Health emphasizing zero-harm through tiered-safety huddles

As part of a system-wide initiative to improve safety and reduce harm, Ballad Health is intent on becoming a zero-harm organization that ranks among the best in the nation for safety and harm reduction measures.

What does “zero-harm” mean for Ballad Health providers, patients and their families?

Ballad Health Chairman and Chief Executive Officer Alan Levine said the zero-harm initiative is about instilling a culture of constantly striving to ensure Ballad Health patients, their families and team members are protected from situations where harm might occur.



Ballad Health’s corporate safety huddle involves executive leadership meeting to discuss any safety concerns from across the system that need special attention.

The Ballad Health Clinical Council embraced the zero-harm initiative as its core focus area when Chief Clinical Officer Dr. Amit Vashist took over as its inaugural chair.

“Achieving zero-harm is not a one-time project, nor is it a trend that will soon fade,” Vashist said. “This requires systemic transformation so that zero harm becomes a natural byproduct of patient care.”

One such recommendation championed by the Clinical Council is the implementation of tiered safety huddles at all Ballad Health hospitals and facilities.

Each day, across the entire Ballad Health organization, frontline team members begin their morning with huddles focused on clinical quality and safety. These huddles provide an organized manner for team members to express opportunities to improve safety and quality, and thus strive towards zero harm.

Any issues identified during those huddles are elevated to hospital leadership. If hospital leadership cannot resolve the issue, the issue will be further elevated to the market level and then to the corporate level. Using this approach, Ballad Health can improve outcomes and enhance safety by rapidly deploying resources to support and solve safety issues as they arise.



Achieving zero-harm is not a one-time project, nor is it a trend that will soon fade.



Dr. Amit Vashist
Chief Clinical Officer

Donna

breast cancer survivor

For the second time in seven years, Donna was diagnosed with Stage IV metastatic breast cancer in 2013. This time, she turned to Ballad Health's cancer practice in Johnson City.

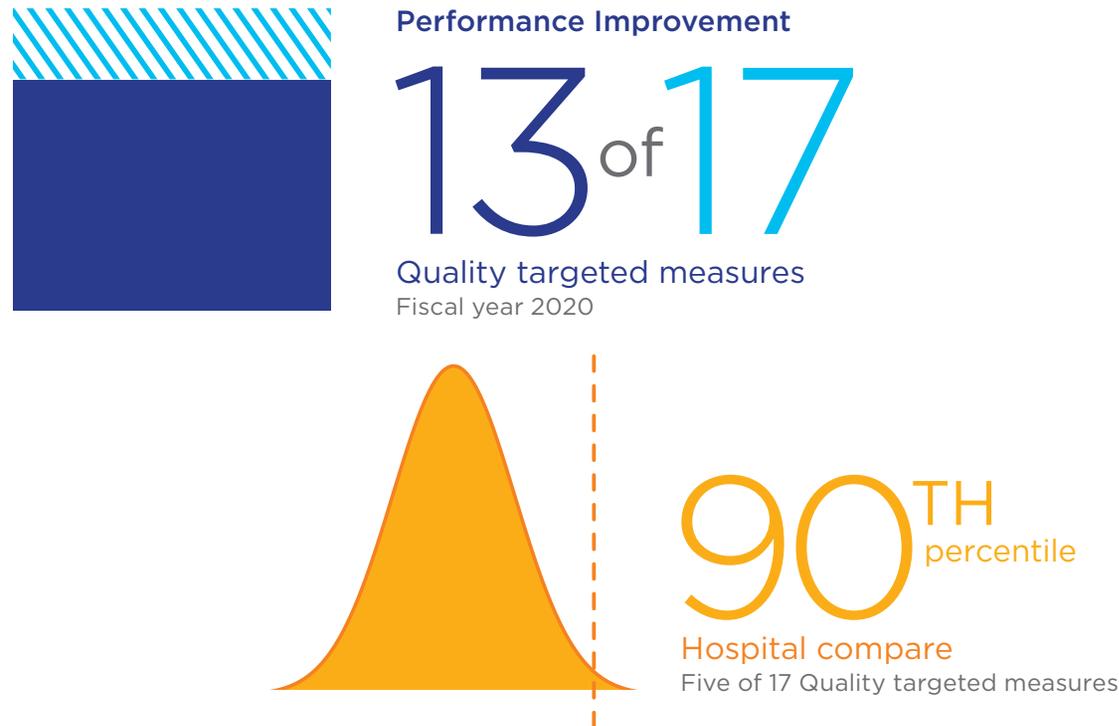
"I was seen by Wendy Vogel, nurse practitioner, and Dr. Fadi Abu-Shahin. I was immediately put at ease regarding my illness and was given a fairly good prognosis. Dr. Shahin wasted no time in mapping out an aggressive treatment plan. After 10 brain radiation treatments and four chemotherapy treatments, he sent me for a scan. That scan, in May of 2013, showed no cancer! Dr. Shahin and the entire staff in Kingsport and in Johnson City are second to none in their level of care. I refer to them as 'my angels!' I thank God each and every day that He gave my care team the wisdom and the knowledge to know exactly how to treat my illness!"



Focusing on quality

Ballad Health has shown improved quality of care delivered to patients by reducing hospital-acquired infection rates and improving other key indicators, such as its rate of in-hospital falls that result in hip fractures. To measure quality of care, the State of Tennessee established a scoring system that measures key indicators related to quality care and compares those scores to a baseline figure established prior to the merger. For each subsequent year, Ballad Health is required to improve its performance against that baseline.

Prior to the impacts of COVID-19, Ballad Health improved performance in 13 of the 17 Quality Targeted Measures that Tennessee and Virginia use to measure quality of care delivered to patients for the 2020 fiscal year. Ballad Health ranked above the 90th percentile of health systems in Hospital Compare during that time in five of the 17 Quality Targeted Measures, including Iatrogenic Pneumothorax Rate, Postoperative Acute Kidney Injury Requiring Dialysis, In-Hospital Fall with Hip Fracture Rate, Perioperative Hemorrhage or Hematoma Rate and Unrecognized Abdominopelvic Accidental Puncture Laceration Rate.



While quality measures can vary from month to month, and Ballad Health cautions about deriving conclusions based on data at one particular point in time, **some positive trends** have emerged, including:

- Clostridioides difficile (C. diff) **decreased by 44%** compared to the baseline.
- Catheter-associated urinary tract infections (CAUTI) **decreased by 41%** compared to last fiscal year and **decreased by 4%** compared to baseline.
- Iatrogenic Pneumothorax rate **decreased by 66%** compared to the baseline.
- In-hospital fall with hip fracture rate **decreased by 50%** compared to the baseline.
- Postoperative acute kidney injury (AKI) **decreased by 50%** compared to the baseline.
- Postoperative wound dehiscence rate **decreased by 28%** compared to the baseline.
- Postoperative respiratory failure rate **decreased by 60%** compared to the baseline.
- Sepsis bundle **compliance** remains an all-time high of **more than 64%**, putting Ballad Health as one of the top performers in the nation in this domain. A sepsis bundle refers to a series of responses that a medical team takes in order to treat sepsis.

Focusing on quality



Clinical Council

A unique feature of Ballad Health is the establishment of a robust and diverse Clinical Council comprised of approximately 30 physicians. The physicians were nominated by the leadership of all Ballad Health hospitals, the health system's medical group and independently practicing community physicians. The Council's members are physicians, pharmacists, advanced practice providers and nurses. The Council reports directly to the Quality Committee of the Ballad Health Board of Directors.

The Council's goal is to ensure excellence in clinical care through physician engagement and leadership. They are also charged with providing guidance for Ballad Health's transformation into a community health improvement system. The Council has led efforts resulting in several important quality measures now performing among the top-decile health systems in America.

Focusing on quality



Ballad Health celebrates '30/90' campaign's success against C. diff – with a focus on more success

One of Ballad Health's key clinical priorities is reducing hospital-acquired infections, the most notable one being *Clostridium difficile* (C. diff). This infection is a national problem, with more than half a million cases diagnosed each year.

C. diff is a bacterium that can cause symptoms ranging from diarrhea to life-threatening inflammation of the colon. C. diff has become the most common microbial cause of healthcare-associated infections in United States hospitals and costs up to \$4.8 billion each year in excess healthcare costs for acute care facilities alone. Across the country, the U.S. Centers for Disease Control and Prevention (CDC) estimates about 30,000 people die of C. diff infection.

Ballad Health has been aggressive in fighting C. diff, implementing an ambitious 30/90 program in 2018 that had a goal of decreasing the number of cases by 30% within 90 days. Not only did our clinicians, in collaboration with infection prevention, meet this goal, but they went beyond it. At the end of the first 90 days, from June 2018 until August 2018, there was a 41% decrease in the rate of hospital-acquired C. diff across the system.

The data showed a baseline of 22 cases per month when Ballad Health started the program, but during the 90-day period of this campaign, the average dropped to 13 cases per month.

The campaign focused on appropriate ordering, appropriate use of antibiotics, hand hygiene compliance and PPE (personal protective equipment) compliance. The biggest opportunity continues to be the appropriate administration of diarrhea causative agents prior to C. diff testing.

By focusing on these steps, hospitals have seen a significant decrease in C. diff cases. During the second quarter of 2020, Ballad Health's C. diff rate remained at 0.385, which is lower than the 0.585 C. diff rate established prior to the merger.

"What we've done with C-diff is a multidisciplinary, multifaceted approach that I compare to a jab-by-jab, 15-round battle. There is no knockout punch. You just have to keep making incremental improvements," said Dr. Amit Vashist, Ballad Health's chief clinical officer and senior vice president. "We must emphasize mindfulness all across the system around hospital-acquired infections like C. diff. Our ultimate aim is for Ballad Health to be a zero-harm healthcare system."



The Ballad Health team that spearheaded the "30/90" campaign against C. diff was recognized for its outstanding work.



Alan Levine commends the team on their tremendous work.

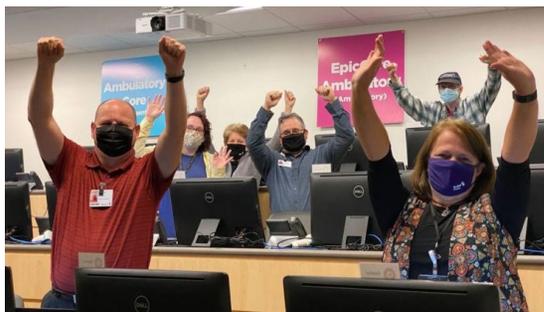
Enhancing patient experience through digital transformation

Ballad Health invested more than \$200 million to adopt a common information technology platform.



As of Thursday, Oct. 1, 2020, a years-long endeavor to adopt a common, interoperable health technology for all of Ballad Health's merged hospitals and care sites is complete.

With Epic as the single technology platform for Ballad Health, patient data will be controlled by patients and their providers, and it will be more secure than ever before. New services will be available to patients, including real-time scheduling, digital access to health information, transparency in pricing and, most importantly, better coordination between healthcare providers, regardless of where the providers are or what data systems they use.



The Epic team celebrates our go-live!

Benefits of this conversion include:

- Real-time and transparent coordination between physicians who are caring for a patient, which helps providers seamlessly collaborate across specialties, reducing duplicate testing and preventing adverse outcomes
- Implementation of evidence-based and best practices across the care continuum
- Enhanced research and population health initiatives using powerful, region-wide data
- Enhanced opportunity to deploy long-term initiatives to reduce the cost of healthcare and improve the health of the region

Dr. Kent Wright, medical director of Johnson City Medical Center's emergency department, said Epic has brought instant access to information that is critical to efficient care in emergent cases.

"I've been able to view prior EKGs when making treatment decisions for patients and see the results of prior culture and sensitivity testing, helping guide our choice of antibiotics," he said. "When patients require care on the inpatient wards, our teams can very easily review my notes – now they are legible! – and review the labs and diagnostic imaging results we've collected in the emergency department."

The three-year journey to this successful conversion was made infinitely more challenging by the global COVID-19 pandemic, which limited the ability of

technology partners to be on-site in the six months leading up to the conversion – a process requiring more than 6,000 Ballad Health team members to be trained.

Epic was not the only technology conversion undertaken during this time. While planning and executing on the Epic conversion, Ballad Health also implemented two parallel underlying networks – establishing two parallel data centers, and Ballad Health converted all its computers to Windows 10 prior to going live with Epic. In addition to software upgrades, this process included replacing approximately 10,000 computers throughout the Ballad Health system.



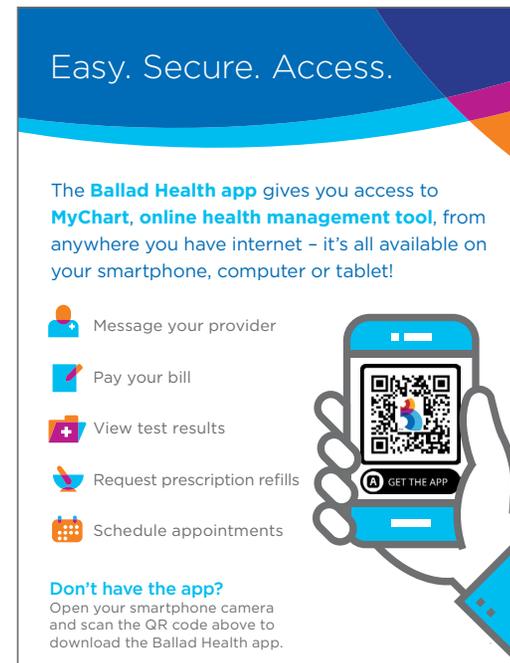
If you can't communicate, you can't collaborate, and Epic is absolutely the best tool I've ever used to communicate with others helping to care for our patients.

Dr. Kent Wright

Enhancing patient experience through digital transformation

Ballad Health's conversion to Epic is the first step in the system's digital transformation journey. Combined with several other efforts, we want to make Ballad Health the trusted source for health information and the easiest place for our community members to access the right care when and how they need it. This means finding the right doctors and scheduling virtual or face-to-face appointments online, registering and checking in with the click of a button, wayfinding services that tell patients the right place to park and the best route to and through the facility and bill payment services that are easy, convenient and accurate.

In the past year, Ballad Health has enhanced its comprehensive telehealth program, Connected Care, that uses a variety of technologies to connect patients to their care providers in real-time, regardless of location. And, the health system launched the Ballad Health app, available for download for all smart phone and tablet users, which provides a range of information and features to access the health system - all at your fingertips.



Easy. Secure. Access.

The **Ballad Health app** gives you access to **MyChart, online health management tool**, from anywhere you have internet - it's all available on your smartphone, computer or tablet!

- Message your provider
- Pay your bill
- View test results
- Request prescription refills
- Schedule appointments

Don't have the app?
Open your smartphone camera and scan the QR code above to download the Ballad Health app.

The graphic features a list of app features on the left, a hand holding a smartphone displaying a QR code on the right, and a 'GET THE APP' button on the phone screen. The background is a blue and purple gradient.



This digital transformation effort is a huge step forward to help our communities become and remain healthier than ever.

Improving population health

Helping individual patients and families with health-related social needs is important for addressing immediate crisis situations throughout the community, but in order to break inter-generational cycles of poverty and poor health, a longer-term approach is needed.

To help address the broader needs of the community at large, Ballad Health has convened the nation's largest accountable care community (ACC), spanning two states with more than 300 participating organizations in 21 counties throughout Northeast Tennessee and Southwest Virginia.

The group's leadership council includes representatives from many community sectors, including physician clinics, schools, charities, youth organizations, public health, social services, faith-based organizations, insurance companies, chambers of commerce and other community leaders.

Through five months of regional focus groups and stakeholder meetings, the ACC selected four priority areas to influence through its work:

- Substance abuse
- Tobacco use
- Overweight and obesity
- Childhood trauma and resiliency

These priority areas are aligned with the

financial and operational commitments Ballad Health agreed to as part of the merger that created the new health system. The population health and access index in Ballad Health's certificate of public advantage (COPA) measures for improvements in breastfeeding, child health, diabetes, mental health, mortality, obesity, smoking, substance abuse and vaccinations.

The ACC leadership council has agreed that the most impactful way to address the four priority areas is by focusing on interventions that benefit children and families. To reflect this commitment toward youth, the group chose the name STRONG ACC (Striving Toward Resilience and Opportunity for the Next Generation) and is organizing activities into four categories:

- STRONG Starts (conception through kindergarten)
- STRONG Youth (kindergarten through 12 years old)
- STRONG Teens (13 to 18 years old)
- STRONG Families (adults and caregivers)

These population health initiatives include important partnerships with regional organizations to pilot programs that:

- Decrease poor infant outcomes in the region, such as Neonatal Abstinence Syndrome, poor breastfeeding initiation, lack of poor prenatal care and infant mortality
- Decrease childhood trauma, increase the use of Adverse Childhood Experiences (ACEs) assessment and increase the use of Trauma-Informed Care approaches
- Decrease substance use and misuse, including tobacco products, with special focus on youth and maternal populations
- Increase cessation and recovery services throughout the region
- Increase programming focused on health-related social needs and social determinants of health

STRONG



Contributors to Adverse Childhood Experiences (ACEs)

Improving population health

Ballad Health is focused on investing in various initiatives to improve population health — the overall health and well-being of the residents living in the Appalachian Highlands. Improving population health cannot be done alone, as its success is dependent on partnerships with community organizations, local government and stakeholders. In order to make meaningful progress, Ballad Health sees its population health efforts as holistically inclusive of community health, behavioral health, children’s health and rural health access.

Examples of promising programs include:

- **Ballad Health and Niswonger Children’s Hospital launched the STRONG Kids initiative with Speedway Children’s Charities.**



This learning collaboration brings together and assists regional organizations that support children. This initiative focuses on generational change and aligns the efforts of hundreds of unique community organizations. By understanding the interconnected relationship between educational attainment, economic success and healthy lives, this model addresses root causes by reducing childhood adverse experiences (ACEs) and supporting families by creating safe, stable and nurturing environments for children.

- **In October 2020, Ballad Health announced the creation of the**



Appalachian Highlands Care Network, which is designed to bridge care gaps, improve health and reduce avoidable healthcare cost and utilization for people who are low income or uninsured. This unique and groundbreaking program includes all Ballad Health hospitals, outpatient services and physician practices, along with a regional network of non-Ballad Health care providers and primary care services offered through safety-net clinics, health departments and Federally-Qualified Health Centers.

Through the Appalachian Highlands Care Network, uninsured patients who need specialty or diagnostic care are referred to the program. The network then enrolls patients based on a financial assessment, conducts a social needs assessment and schedules necessary medical appointments, procedures and testing.

- **RESPOND** is the crisis and admissions program operated through Ballad Health. The program offers a centralized call center that can serve the region during emergencies. During the COVID-19 pandemic, the RESPOND telephone number was distributed to both healthcare workers and the public to walk people through ways to connect to services or cope with stress related to the pandemic.



- **Communities in Schools (CIS) of Southwest Virginia and Tennessee** – CIS is the nation’s largest dropout prevention organization. The program functions by placing site coordinators inside schools to provide targeted services to students who live in poverty, are at risk of psychological trauma or adverse childhood experiences, or are at risk of dropping out of school. The pilot grant from Ballad Health enabled the program to expand case management services to students as well as provide whole-school preventive programming in nine different schools.

	Tennessee	Southwest Virginia
Service area	Two counties (Cocke and Hancock), Three high schools	Tazewell County Public Schools and Bristol VA Public Schools (19 total)
Service population	1,813 students, 118 in case management	6,300 students, 740 in case management
Program summary	Implement the national best practice curriculum and supportive program providing individualized case management program to build resiliency, support educational outcomes and decrease dropout rates through programs integrated in the school environment. This program is part of the Governor’s initiative for educational success in TN’s distressed counties.	Implement the national best practice curriculum and supportive program providing individualized case management program to build resiliency, support educational outcomes and decrease dropout rates through programs integrated in the school environment.

Improving population health

- **Mom Power of Families Free** – This program is a relationship-based, trauma-informed parenting group for mothers of young children up to age 6, designed to meet the needs of families impacted by psychological trauma, mental health difficulties, and socio-economic challenges. Interventions focus on addressing the physical and emotional needs of mothers to empower them to see and meet the needs of their children. The program provides specific supports connected to group meetings, including shared meals, transportation assistance, and one-on-one childcare with staff trained in trauma informed care. During meetings, mothers learn self-care and relaxation skills as well as parenting psychoeducation and warm handoff referrals to community-based services. The pilot grant from Ballad Health helped expand staffing and programmatic offerings to serve more families throughout the region.
- Through a partnership with the Health Resource and Services Administration and a host of regional partners, Ballad Health is participating in the Rural Communities Opioid Response Program (RCORP) to enhance rural resources for residents in Tennessee and Virginia to help them overcome substance use disorder. This program is intended to address barriers to treatment and create a more comprehensive system of care and support. The RCORP initiative and its peer recovery specialist program connects individuals dealing with substance use to people already in recovery with special training. These specialists work to connect people to needed resources in the network. A 24/7 PEERhelp warmline has now been deployed.



- Ballad Health and Ballad Health Foundation partnered with all regional United Way agencies to support their literacy initiatives with the goal of improving grade-level reading proficiency.



The Southwest Virginia Accountable Health Communities Program (AHC) is a collaboration between community groups and Ballad Health that seeks to improve the overall health of Medicare and Medicaid beneficiaries by helping address patients' health-related social needs. As part of the program, Medicare and Medicaid patients in Southwest Virginia are screened for health-related social needs when they visit a Ballad Health facility. Once those needs are identified, Ballad Health tries to link those patients with resources and programs within their communities to resolve those needs.

Improving population health

- To identify and effectively intervene with those who are at moderate or high risk for psychosocial or healthcare problems related to their substance abuse, in February 2019, Ballad Health began using the SBIRT platform in its emergency departments. SBIRT stands for screening, brief intervention and referral to treatment. To date, patients are being screened in 17 of the 21 hospital emergency departments. When a patient presents to a Ballad Health emergency department at the time of triage, they are asked a series of brief questions (Screening) by a healthcare professional to assess for risky substance use behaviors using a standardized screening tool. Based on the responses by the patient, a healthcare professional provides feedback (Brief Intervention). During that conversation, the healthcare professional provides a referral to brief therapy or additional treatment to patients who screen in need of additional services (Referral to Treatment).

Ballad Health has employed Community Navigators assigned specifically to the SBIRT platform to provide assistance with the brief interventions, referrals to treatment and follow-up navigation phone calls to patients after discharge to determine if additional resources are needed and ensure connection to community resources.



Patients screened in

17 of 21

hospital emergency departments



Achieving the important mission of Ballad Health - to honor those we serve by providing the best possible care - begins with governance. Our governing body is composed of 11 servant leaders who give their time and expertise for the purpose of ensuring the voice of the community is heard, and that our mission is always in focus. Our entire Ballad Health team is grateful for the time and effort each board member gives on behalf of the region we serve and love.



Alan Levine

Chairman of the Board and
Chief Executive Officer

Governance Structure

Board of Directors

Ballad Health is governed by a board of directors consisting of 11 regional leaders representing the diversity, industry and expertise of the 29-county region served by the health system.

The members were chosen using best practices for selection of health system boards based on needed competencies for the governing body, including experience in the areas of governance, administration, business and strategy. Eight of the board's members are Tennessee residents, and three are Virginia residents. The group also includes two physicians, one currently practicing, and one who recently retired after serving as president of the Tennessee Medical Association.

The board is tasked with managing the long-term interests of the health system and ensuring Ballad Health delivers high-quality healthcare and human services to the communities it serves. In furtherance of its fiduciary responsibility, the board has eight standing committees. Each committee is composed of board members and other members of the community who are experts in a particular subject area.

The standing committees that report to the board are:

- The Executive Committee: The Executive Committee exercises the full authority, power and duties of the Board of Directors to act in certain situations based on authority delegated to it by the board.
- The Audit and Compliance Committee: The Audit and Compliance Committee oversees the integrity of Ballad Health's financial reporting, financial controls and compliance program. As a best practice, the Audit and Compliance programs of Ballad Health report directly to the Audit and Compliance Committee to ensure the independence of these functions.
- The Finance Committee: This committee reviews budgets, monitors ongoing financial performance and monitors the health system's investment policy and retirement programs.
- The Quality, Service and Safety Committee: While the Board of Directors has ultimate responsibility for quality patient care, this committee is composed of physician and allied health leaders who oversee, monitor and evaluate the quality of patient care. It also oversees the system's credentialing functions and medical staff regulatory processes and annually assesses the system's performance improvement programs.



Alan Levine



David Lester



Julie Bennett



David Golden



David May, MD



Aldo Noseda

Governance Structure

- The Executive Compensation Committee: This committee evaluates and approves the compensation program. Ballad Health adheres to the highest standards of compensation governance, following the IRS standards for rebuttable presumption of reasonableness. These standards include ensuring the committee is independent, considers credible data for comparison, utilizes the input of an independent expert or experts and reviews the data on an ongoing basis to ensure competitiveness of pay and pay which is within the appropriate range for a not-for-profit executive.
- The Population Health and Social Responsibility Committee: This committee is responsible for oversight of social responsibility initiatives and programs, as well as the implementation of a population health infrastructure designed to serve the region.
- The Governance/Nominating Committee: This committee ensures there is an effective process for filling board vacancies and committee positions, and also considers issues of governance and governance goals.
- The Workforce Committee: The Workforce Committee provides recommendations related to implementing recruitment and retention plans, workforce policies, education and professional development of the clinical workforce and employee benefits.

The Ballad Health Board of Directors:

- **Alan Levine**, Chair/President/Chief Executive Officer
- **David Lester**, Vice Chair/Lead Independent Director
- **Julie Bennett**
- **David Golden**
- **David May, MD**
- **Aldo Noseda**
- **Scott Niswonger**
- **Dr. Brian Noland**
- **Gary Peacock**
- **Doug Springer, MD**
- **Keith Wilson**
- **Barbara Allen** – term ended December 2020, and she was replaced by Aldo Noseda.



Scott Niswonger



Dr. Brian Noland



Gary Peacock



Doug Springer, MD



Keith Wilson



Barbara Allen
(term ended December 2020)



The board of directors of Ballad Health was assembled to follow best practices in the governance of healthcare systems. As the region's largest employer, and with the incredible responsibility of stewardship of so many important community assets, our region deserves no less than best practice. Our board members live here, work here and rely on the services of Ballad Health, just as our neighbors do. So each decision we make, we consider as though it affects our own families. We appreciate the hard work of the Ballad Health team, who labor every day to serve the families in our region. The board of directors is deeply committed to our mission, and we share this passion with the entire team.



David Lester

Vice Chair and Lead Independent
Member of the Board of Directors

Governance Structure

Active Supervision and Structure

As an entity authorized under the state-action immunity doctrine under federal anti-trust law, Ballad Health's creation is consistent with Tennessee and Virginia policy, as determined by the legislatures and governors. Further, Ballad Health subjects itself to active state supervision to ensure ongoing public advantage.

The Tennessee Department of Health concluded that the Ballad Health COPA continues to provide public advantage in both of its annual reports issued to date:



[Tennessee Department of Health COPA 2020](#)



[Tennessee Department of Health COPA 2019](#)

The Virginia Commissioner of Health similarly found a public advantage in his annual report:



[Virginia Commissioner of Health Annual Decision 2020](#)

COPA Monitor (Tennessee and Virginia)

The COPA Monitor in Tennessee is an expert retained by the state for the purpose of ongoing monitoring of the COPA.

The duties and responsibilities of the Tennessee COPA Monitor include:

- Reviewing the reports that Ballad Health is required to submit for completeness and compliance
- Conducting audits on a regular basis as needed to verify information to determine COPA compliance
- Reporting to the state any findings of noncompliance
- Publishing an annual report

In Virginia, two monitors provide support to the Virginia State Health Commissioner as part of the Commissioner's active supervision of the CA.

COPA Compliance Office

The COPA Compliance Office is a function within Ballad Health that reports to the Audit and Compliance Committee of the Ballad Health Board of Directors. The COPA Compliance Office is responsible for reviewing complaints related to the COPA in Tennessee and the CA in Virginia, and when appropriate, investigating the facts related to the complaint.

If the COPA Compliance Office believes a violation occurred, it can recommend corrective action. The COPA Compliance Office is responsible for ensuring there is a mechanism for receiving complaints, including the ability to make complaints anonymously. The COPA Compliance Office evaluates and identifies potential systemic problems, particularly those related to compliance with the COPA and the CA. Each year, the COPA Compliance Office prepares a report that accounts for any activities taken by the office and identifies any potential violations.

Additionally, the COPA Compliance Office is responsible for serving as the contact with the Tennessee and Virginia Departments of Health for ongoing communication and compliance with the COPA and the CA. The COPA Compliance Office also prepares and submits required deliverables, quarterly and annual reports to the Tennessee and Virginia Departments of Health.

Environmental Impact

Ballad Health seeks to be good stewards of our environment. As a responsible employer and member of the community, we are learning about how our actions impact the global footprint.

For instance, the healthcare industry is a significant energy consumer in any given region, and U.S. healthcare buildings constitute the second most energy-intensive U.S. building sector, consuming energy at twice the intensity of commercial office buildings.



Johnston Memorial Hospital

Maintaining LEED Certification

Ballad Health operates two hospitals, Johnston Memorial Hospital and Franklin Woods Community Hospital, that follow the U.S. Green Building Council’s LEED – Leadership in Energy and Environmental Design – guidelines. Johnston Memorial earned LEED Gold certification in November 2011, while Franklin Woods achieved LEED Silver certification when it opened in 2010.

The green initiatives maintained at Johnston Memorial include high-efficiency plumbing, water-efficient landscaping with native plants, energy-efficient heating and cooling, occupancy-sensitive lighting, use of local and recycled materials, recycling of waste and green space on site.

At Franklin Woods, Ballad Health maintains a variety of LEED highlights, including exemplary performance for open space, water-efficient landscaping that saves approximately 88% compared to a traditional landscaping design and increased ventilation that provides more than 30% more than the required minimum ventilation rates and achieves more than 16% energy savings.

Partnership with Premier

Ballad Health partnered with Premier, Inc., to acquire a minority stake in Prestige Ameritech, a U.S.-based manufacturer of personal protective equipment. Approximately 80% of all personal protective equipment (PPE), which is critical to the daily operations of a health system, is sourced from Asia. By sourcing more of its PPE domestically, Ballad Health is reducing its overall environmental footprint with less supplies traveling across the oceans, thus reducing greenhouse gas emissions. This partnership is also an important element of Ballad Health’s social responsibility program, with its focus on helping American healthcare providers reduce their reliance on necessary supplies that are manufactured primarily in Asia.

Premier has been recognized for 14 consecutive years by Practice Greenhealth as a leader in environmental excellence for its commitment to collaborate with member health systems on environmentally preferable purchasing and energy efficiency initiatives.

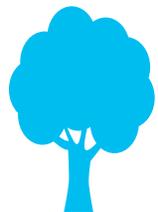
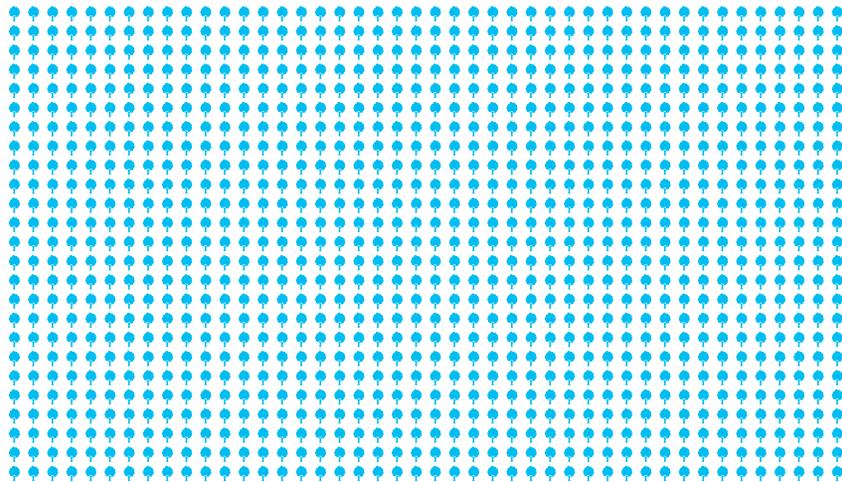


Environmental Impact

Partnership with Stryker Sustainability Solutions

Ballad Health partners with Stryker Sustainability Solutions for reprocessing its medical supplies. Between January 2019 and July 2020, Stryker was able to divert approximately 21,200 pounds of Ballad Health's waste from landfills.

Ballad Health also participates in Stryker's Products for the Planet program, which encourages hospitals to increase their collection of medical supplies, and in return, Stryker plants trees in national forests through the National Forest Foundation. Between January 2019 and August 2020, Stryker has planted 1,100 trees in connection with Ballad Health's recycling efforts.



1,100 trees

Planted by Stryker in connection with Ballad Health's recycling efforts



21,000 pounds

of waste saved from landfills







balladhealth.org