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Southwest Virginia Health Authority
851 French Moore Jr. Boulevard, suite 178
Abingdon, Va 24210

RE: Comments on the Cooperative Agreement by Wellmont Health System and Mountain States Health Alliance

The Clifton Companies (www.thecliftoncomapnies.com) is a group of ancillary medical companies that services the residents in Southwest Virginia. Our services include ambulance emergent and non-emergent transportation, home nursing, hospice, retail pharmacy, long term care pharmacy, assisted living facilities, durable medical equipment, medical billing services, medical uniforms, and other non-medical related companies. We have been servicing the community for over 35 years. Specifically, we service the following counties in Virginia; Washington, Smyth, Russell, Scott, Tazewell, Wise, and Lee. In addition, we handle patient transfers between all the hospitals in Virginia and Tennessee.

The Clifton Companies wants to communicate to the Southwest Virginia Health Authority that we fully support the merger of the Hospitals and Physician practices between Wellmont and Mountain States. We feel that, over time, this will help to reduce the cost of healthcare in our region allowing for duplicative services to be eliminated and to increase focus of providing additional needed services in both Southwest Virginia and Northeast Tennessee.

One concern that we have raised with legislators and Mountain States is the referral of patients to ancillary services. This is not a new issue, but is an issue that we feel could become a greater challenge as all the major referral sources come under one leadership. We want to state that choice is given to patients, however, there is documented cases of the directing of referrals to health system owned ancillary services companies.

We have spent the past several months working on this issue and meeting with legislators and various leaders within Mountain States. I want to publicly thank everyone for their time and willingness to meet with us, and for the sincere interest and openness to our concern. I have received a great deal of insights into this issue from all the parties and again thank you.

We realize that this issue is becoming more and more complicated as new regulations are coming down on hospitals for 30 day readmissions, bundled payments, and other issues as the government attempts

to lower healthcare reimbursements. We can see how with all of these issues, it is natural to look internally for solutions, however, for ancillary services, there is a robust, highly qualified and very functional market already established.

As we have been meeting with legislators and Mountain States, there has been one main question... "What do you want" and the answer that we have responded with is, an "equal and fair playing field" where as a business leader it is our company's choice to review the criteria of participation and to make the decision if we want to participate and that all participants (owned or independent) are held to the same standards and access.

We understand that for the welfare of the patient, their families and the operations of the hospitals and physician offices, there can't be 40 different agencies running around asking patients or their families if they need services and to select or change to theirs. This would be anarchy. We know that there must be controls on those agencies when visiting hospital and/or physician offices to maximize the physicians time with the patient. This is necessary since the physician/patient relationship is a critical cog in the process for reducing readmissions.

So, through all of the meetings, various amounts of research and numerous (too many to count) discussions with people in the industry, it still comes down to what do we want from the Commission.

We do not want to see that the cooperative agreement to have additional burdensome regulations that will increase cost and limit the success of providing ancillary services to our community. At the end of the day, we are not 100% convinced that this is truly an issue for the cooperative agreement but has been a platform to raise an age old issue and to get people to the table to discuss a better solution.

We are asking that the Southwest Health Authority insure that the issue of referrals from hospitals and owned physician practices be identified and documented as an issue/concern in the cooperative agreement. That Ballard Health Care's Senior Management (non-ancillary services) must conduct ancillary services meetings open to all providers twice a year to discuss relevant issues to services needed by Ballard Healthcare and their patients. That Ballard Healthcare owned ancillary services are treated the same as all other ancillary service providers and that any and all efforts too direct patients be removed and for example "patient choice" in the chart is an acceptable documentation for physicians, nurses, case managers and discharge planners at the hospital and physician offices for choosing a provider other than those owned by Ballard Healthcare.

In addition, we are recommending that the commission stipulate that Ballard Healthcare develop the following:

- 1) Develop and communicate industry accepted/standard criteria for being eligible to be on the Ballard Healthcare referral list equally.
- 2) Hold all ancillary service providers to the above mentioned criteria including the owned services.
- 3) Publish annually, to the community, these standards and each of the ancillary service provider's results as it relates to these services without preference to owned services.
- 4) Develop a referral list that in no way directs patients to Ballard Healthcare owned ancillary services companies which includes but not limited to font size, color, style, and/or positioning on the page.

- 5) Provide equal and reasonable access to Ballard Healthcare leadership at all levels for ALL ancillary service providers.

We feel that this will create a “preferred” type network of ancillary services that will provide the highest quality services to the community and to assist Ballard Healthcare in reducing costs, reducing penalties and continue to increase the quality of healthcare in our region.

After the numerous meetings/discussions with leaders within Mountain States, we do not feel that it is necessary to ask the Authority to establish specific regulations within the cooperative agreements that we feel cannot be easily met or maintained.

We feel that for the future of healthcare in our communities, there needs to be a partnership among all providers and the push to work together in the best interest of our residents. We believe that this will become more critical as the drive towards population health management becomes a reality.

Again, we are asking the Southwest Virginia Health Authority to assist this process by including a few simple requirements of:

- 1) Semi-annual meeting of Ancillary Service providers to be run by the Ballard Healthcare leadership (not ancillary services leadership) to review issues.
- 2) That Ballard Healthcare remove any and all efforts to direct patients to owned ancillary services at all levels.
- 3) Ballard Healthcare to develop industry accepted criteria for ancillary services companies to be eligible to be on the referral list.
- 4) To publish to the community, the criteria and results of each participating ancillary services companies on an equal basis.
- 5) Provide equal and reasonable access to Ballard Healthcare leadership at all levels for ALL ancillary service providers.

Creating more oversight and regulation is NOT our goal, however, we are asking the Authority to assist in continuing and accelerating Mountain States efforts to open the ancillary services market with initial structure and direction. We feel this will stimulate the development of cooperative partnerships with all ancillary service providers that are willing to operate at the industry based criteria, overall raising quality standards for the benefit of the community.

We want to again thank the Legislators for their time, the Southwest Virginia Health Authority for considering this request, and most importantly the Leadership of Mountain States Health Alliance for their time and commitment to truly listening to our concerns.