

**Southwest Virginia Health Authority  
Minutes of  
Cooperative Agreement Task Force Meeting  
March 10, 2021 at 6:00 PM**

**Virtual Meeting Through ZOOM™**

**I. Call to Order.**

Chairman Pillion called the meeting to order at 6:02 p.m.

Chairman Pillion called on Mr. Mitchell to make certain introductory announcements regarding the meeting.

Mr. Mitchell stated that the meeting was a virtual meeting of the Virginia Cooperative Agreement Task Force (“Task Force”) pursuant to properly posted notice under Section 2.2-3707 of the Code of Virginia. He asked that everyone mute their telephone or computer microphone if they were not speaking. Mr. Mitchell explained that the meeting would be conducted through the use of electronic means pursuant to Section 2.2-3708.2(A)(3) of the Code of Virginia. Mr. Mitchell stated the Chairman had noted that the Governor has declared a state of emergency due to the COVID-19 pandemic and that the nature of the declared emergency made it impracticable or unsafe to assemble a quorum in a single location. Further, the Chairman had noted that the purpose of the meeting - health care in Southwest Virginia – met the requirement that the virtual meeting be called to “address the emergency.”. Mr. Mitchell informed the listeners that the meeting was being held consistent with the directions and guidance of the Attorney General because of the current COVID-19 state of emergency declared by Governor Ralph Northam. He added that the meeting was being recorded and a recording would be made available following the meeting. Mr. Mitchell noted that the public was provided with the means and opportunity to listen into to the meeting. Pursuant to Section 2.2-3708.2 of the Code of Virginia, each Commissioner was asked via email to provide their location, their means of communication, and their reason for participation electronically. He noted that this information would be recorded in the minutes, to which it is attached as Schedule 1. Mr. Mitchell stated that each speaker should identify themselves before speaking. All votes of the Commissioners would be conducted by a roll-call vote. He said that the only anticipated vote was the approval of the minutes from the November 19<sup>th</sup>, 2020 meeting of the Task Force. Mr. Mitchell shared that if anyone had any issues or questions during the meeting, he was monitoring the chatroom, or the person could call his office at (540) 443-9272.

**II. Roll Call.**

Chairman Pillion called the roll. Ms. Brillhart, Dr. Henry, Delegate Kilgore, Mr. Meadows, Dr. Mullins, Mr. Neese, Ms. O’Dell, Senator Pillion, and Dr. Rawlins were all present.

Mr. Barry and Mr. Norris were also present.

Mr. Mitchell was present as legal counsel to the Task Force.

Several members of the public were present.

All participants and attendees attended electronically. Exactly 27 members and guests attended the meeting.

**III. Declaration of Quorum.**

Chairman Pillion declared a quorum existed at 6:05 p.m.

**IV. Approval of Minutes.**

Mr. Neese moved to approve the November 19, 2020 meeting minutes, attached as Exhibit A. Dr. Rawlins seconded the motion. The motion passed unanimously.

**V. Old Business.**

Before Chairman Pillion addressed Old Business, he made a few comments. He thanked everyone for participating and extended his gratitude to Mr. Barry for all the work that he did for the Southwest Virginia Health Authority Board (“Authority”) and Task Force.

Chairman Pillion explained that the original goal in the fall of 2019 was to meet quarterly, but due to the pandemic, this goal was disrupted. Throughout 2020 he shared that Mr. Barry continued to actively work with Ballad Health (“Ballad”), the Virginia Department of Health (“VDH”), and the Tennessee COPA Monitor (“Tennessee Monitor”). Mr. Barry reported to Chairman Kilgore and Chairman Pillion as warranted.

Chairman Pillion advised that at the end of February Ballad submitted an abbreviated report for FY2020, which would be reviewed later in this meeting. Chairman Pillion stated that the Cooperative Agreement (“CA”) had existed for about four years and three months. Chairman Pillion stated that over the years, the Task Force and Authority had developed a smarter approach to the process. The Authority did not consider the Cooperative Agreement a stale document and they hoped to identify ways to improve its contents.

**A. Cooperative Agreement Progress Report**

The Chairman moved to address the first item of Old Business, the Cooperative Agreement Progress Report. He introduced Mr. Barry as the individual to provide the latest report.

*Background*

Mr. Barry began his presentation by first thanking Chairman Pillion. He then explained that the report was for an eight-month period rather than a full year. This was because a large part of the Cooperative Agreement was suspended during the COVID-19 crisis. The suspension began on March 1, 2020 and continued through today.

Mr. Barry stated the objective during the meeting was to focus on the highlights of the report. He emphasized that he was going to explain the “big picture” of the report and not

get into too much detail. Mr. Barry stated that Mr. Todd Norris would be discussing the details of the Population Health Report. After that Mr. Barry would provide his recommendations for changing the CA to be considered by the Task Force for recommendation to the entire Authority. If approved by the Authority, the revisions would be recommended to the Commissioner.

### The “Big Picture”

In regard to the FY2019 Annual Report, Mr. Barry pointed out that what Ballad had received through the state statutes and approvals by Commissioners of Health from both Virginia and Tennessee was the ability to compile a merger. Mr. Barry suggested that without the support of the Commissioners, the merger would have likely been challenged under federal and state anti-trust laws. With continual monitoring by both states, a state action applies to this situation, which exempts them from any anti-trust laws.

Mr. Barry reported that the objectives of the CA and the Tennessee COPA were to reap the savings of consolidation, while also avoiding the potential abuses of allowing Ballad to obtain too much market power. He explained that the risk for any player in a market having large market shares was the potential for abuse of that power, specifically in limiting access (e.g., shutting down facilities or limiting the services of those facilities) and also exacting higher prices. Mr. Barry pointed out another risk involved in concentrated market shares was a reduction in quality of services. He stated that Ballad planned to use the savings it received through the consolidation to meet the commitments they had made to spend around \$380 million to benefit the community. It emphasized that the commitment stood regardless of whether or not Ballad realized the expected savings.

### Volume Declines

When the merger was proposed in 2016, Ballad (at that time known as Wellmont Health System and Mountain States Health Alliance) approached both Tennessee and Virginia. Mr. Barry stated that their utilization in the region was behind national averages and was expected to decline. As the averages decrease, the hospital admissions and the volume of other hospital services would also decline. This would cause a direct impact on revenue. Ballad expressed that they needed to be prepared in order to withstand the outcome. At the outset, Ballad had predicted a 4% annual decline in inpatient admissions, but the reality was 14.2% pre-pandemic.

Mr. Barry reported this as a positive result for the region, indicating that Ballad and physicians were improving in delivering healthcare more efficiently and effectively. The downside was that Ballad’s revenue was negatively impacted. Mr. Barry shared that Ballad had entered into some arrangements that would provide bonuses for savings in healthcare costs. Ballad was one of the few organizations in the country that consistently received bonuses from the Medicare Shared Savings Program.

### Dollar Impact of Volume Declines

Mr. Barry reiterated that since the time of the merger, the total number of inpatient admissions to Ballad Health hospitals had declined by 14.2%. He added that the estimated savings to payors, patients, employers, and the government was approximately \$149 million in FY2020. In addition, he stated that the total number of emergency room visits to Ballad had declined by 21.7%, which resulted in an additional savings of approximately \$52 million. Mr. Barry again emphasized, as he did above, that the savings to the community was lost revenue for Ballad.

In the fall of 2020, Mr. Barry reported that Ballad had a huge volume influx that stretched into early January 2021. That has dropped to about 70 COVID-19 patients in the Ballad facilities. The increased volume, however, did not make up for the lost revenue in more profitable services. Mr. Barry states that both the Tennessee and Virginia Governor's had prevented elective surgeries for about a month and a half in the spring of 2020. Ballad also had to discontinue surgeries, due to a lack of capacity and because they had to focus their resources on COVID patients. Mr. Barry reported that this was the theme for most of FY2020 and continues even now.

Mr. Barry explained how Ballad had taken a marketing approach to turn a liability into an asset. He stated that they achieved this by characterizing their loss as a benefit to the community via saved healthcare expenditures. With inpatient admissions and emergency room admissions both declining, it totaled around a \$200 million loss for Ballad in FY2020. Some of the lost revenue was compensated through the Federal CARES Act funding and some was expected to come from FEMA. Mr. Barry emphasized that without the assistance from the federal money, Ballad operations would have suffered substantially.

Mr. Barry commended Ballad for managing their expenses. They were able to reduce expenses almost proportionate to volume. As the pandemic gained speed, there were significant expenses for over-time, contract employees and Personal Protective Equipment (“PPE”). Mr. Barry explained that while Ballad did manage their finances well, they also dealt with increased expenses due to COVID-19.

#### *Savings from Merger*

In FY2019, Ballad reported an annual savings of \$32 million from the merger. Mr. Barry stated that as of February 29, 2020 (an 8-month report), Ballad had an additional savings of \$28 million resulting from the merger. Together these annualize to nearly \$42 million. Mr. Barry expressed that these savings have and would continue to contribute to Ballad's financial stability, which he said would have been precarious if the two legacy organizations (Wellmont Health System and Mountain States Health Alliance) had carried on independently. The savings also enabled Ballad to meet their spending commitments outlined under the CA and the COPA.

Mr. Barry added that he was notified before the meeting that Fitch<sup>1</sup> maintained Ballad's rating at A, which compared favorably with other organizations and reflected well on Ballad during the challenges presented by the COVID crisis.

#### Access

Mr. Barry stated that Ballad had reported that measures of population within a ten-mile radius of an emergency room and urgent care center had improved slightly from the previous year (2019). No county had lost a hospital, but there were some consolidations made in Wise County which had been predicted and were specifically provided for in the Cooperative Agreement. Mr. Barry pointed out that the CA required Ballad to maintain services at all sites in Virginia where it had a hospital (with more flexibility in Wise County). He also shared that Ballad had opened an urgent care center in Lee County in October 2019 and Lee County Hospital was scheduled to reopen on July 1, 2021.

#### Prices/Cost to Payors, Employers and Patients

Mr. Barry reported that Ballad was in compliance with Addendum 1, which limited prices it could negotiate with payors; indeed, with most contracts, Ballad's negotiated rates were well below the maximum permitted. He stated that this was because the payors had a considerable amount of market power themselves and were negotiating rates lower than the ceilings that Ballad could reach. Mr. Barry advised that payors were forcing Ballad to accept reduced rates in order to retain certain business, such as outpatient diagnostic testing.

Mr. Barry noted that this was being closely monitored by the former Chief Financial Officer of the University of Virginia Medical Center, Larry Fitzgerald, who currently served as the Tennessee Monitor. Mr. Kevin Meyer, Mr. Barry, and the Tennessee Monitor discuss the proposed contract terms when they arise.

#### Quality

Mr. Barry started off stating that there were mixed results in quality measurements. Ballad had measured quality in terms of its own baseline and reported that they had improved in all five areas, with the exception of some "slippage" from FY2019 into FY2020. Ballad reported quality data for 100% of their patients while their peers were reporting only on the Medicare fee-for-service patients, which really only accounted for about 20-40% of the total patients. In comparing Ballad with their peers, they did not appear as well as they did against their own baseline. Ballad wanted Mr. Barry to point out that this assessment was not an "apples-to-apples" comparison. Mr. Barry stated that the Monitors were focused

---

<sup>1</sup> Fitch Ratings, Inc. – is an award-winning provider of credit ratings, commentary, and research. (<https://www.fitchratings.com/about-us>) They are one of the three nationally recognized statistical rating organizations designated by the U.S. Securities and Exchange Commission in 1975. ([https://en.wikipedia.org/wiki/Fitch\\_Ratings](https://en.wikipedia.org/wiki/Fitch_Ratings))

intensely on this issue. He asserted that at every meeting with Ballad they discussed and reviewed the data.

Senator Pillion interjected that Mr. Mitchell was attempting to ask a question. Mr. Mitchell pointed out that Dr. Mullins had posted a question in the ZOOM chatroom.

Dr. Mullins asked, “Could a 20% decline not also be in part due to changes in Opioid prescribing in both Tennessee and Virginia?”

Mr. Barry responded that the short answer was “no.” He stated that there had been a decline in Opioid prescribing in both states. One metric that Ballad tracked was the frequency of Opioid prescribing in its emergency rooms and inpatient facilities. He stated that the data showed a decline and maintained consistency with the national standards regarding the issue. Mr. Barry closed by stating that his response was the best he could provide and asked Dr. Mullins if she had any follow-up on the discussion.

Dr. Mullins stated it was a topic to consider when looking at a 14% reduction in inpatient admissions, but a 20% decrease in emergency room visits. She reported that those cases usually turn into hospital admissions, “so one thing leads to another. If people aren’t going to the ER because they aren’t getting their Opioids prescribed in the first place, which at the end of the day is a good thing, and as Ballad is noting in this 100-page document as a substantial cost savings. So, at the end it really is a good thing to look at as perspective.”

Mr. Barry thanked Dr. Mullins for her input and returned to the discussion of quality. He stated that he would be shocked personally if Ballad’s numbers were not negatively affected by COVID-19. Many nurses were out sick, all personnel were overtaxed, and contract personnel were unfamiliar with Ballad protocols. Because of these factors, he stated that he would not be surprised if some quality had slipped.

He shared that Ballad’s Clinical Council (40+ people) was intensively focused on quality during the post-COVID era. They had a meeting, including the COPA and CA monitors, about two weeks before this TF meeting. Mr. Barry said he was comfortable stating that Ballad was focused on quality, but he emphasized that it was an extremely important topic, which was why he recommended to Senator Pillion that he require Ballad to report to the Task Force on quality in the Fall.

### Spending

At the previous Task Force meeting, Mr. Barry had noted that Ballad had fallen short in their spending requirements established in the plans submitted to the States for FY2019, with reasonable explanations. For FY2020, this was the case as well. Mr. Barry noted that the monitors were focused on the issue and further stated that at every meeting with Ballad there was a conversation on spending, where they stood, and any plans they might have in regard to meeting those requirements in the future.

He expressed that this shortfall was almost irrelevant at this time because the spending requirements were suspended during the COVID emergency. Virginia and Tennessee had not yet determined the schedule for transitioning out of the COVID suspension. Mr. Barry pointed out that notwithstanding the suspension, Ballad had continued to spend to further all of the approved plans. The existing plans would be extended one year, and then new plans would be submitted.

## **B. Population Health Report**

Mr. Barry introduced Mr. Norris, from Ballad, who was to discuss population health.

Mr. Norris thanked everyone and stated that he appreciated the opportunity to speak and that it was an honor to work with everyone from the Southwest Virginia and Northeast Tennessee regions.

### Announcements

He reminded the Task Force of a few of the announcements that Ballad had made the week prior to this meeting, including the launch of their new Niswonger Children's Network.

The Network would reinforce world-class healthcare and well-being for both women and children. The program was an investment of around \$60 million throughout the region, and Ballad Health planned to secure at least \$17 million toward pediatric health in the community via gifts to the network. At the time of the announcement, Mr. Norris stated that around \$9 million had been raised and another \$7 million was invested by the J.D. Nicewonder family.<sup>2</sup>

Mr. Norris described the breakdown of the investment, stating that it included a two-story addition to the Niswonger Children's Hospital in Johnson City. This addition would be the epicenter for the region in Perinatal and Neonatal Care as well as the Center for Pediatric Specialties.

Mr. Norris stated that in addition to the expansion of the hospital, East Tennessee State University ("ETSU"), in partnership with Ballad Health, announced the conversion of the Indian Path Hospital in Kingsport, Tennessee into a Center for Women and Babies and the Children's Resource Center (located separately at Niswonger Children's Hospital)<sup>2</sup>. These programs would expand into the Johnson Memorial Hospital in Abingdon, Virginia.

Mr. Norris shared that a new program for pregnant and parenting mothers suffering from substance disorders would be based in Greenville, Tennessee, but would serve the entire region.

---

<sup>2</sup> The announcement can be found on Ballad's page by following the link: <https://www.balladhealth.org/news/new-niswonger-childrens-network>

A new children's resource center would be located at Johnson Memorial Hospital, which Mr. Norris added was an exciting development for Southwest Virginia as they placed resources closer to the children and families that they serve.

In addition, there have been new sites for school based virtual urgent care and behavioral health in Virginia, included Lee County, Smith County, and some services up in Mountain Mission School in Grundy. Mr. Norris informed that these programs would continue to expand and add access for children across the region.

Mr. Norris reported that Ballard had a continued collaboration with the Strong Accountable Care Community, which he would cover in more detail later in his presentation. He shared that a new expanded child abuse program would cover the Northeast Tennessee and Southwest Virginia area. There would be a series of wellness playgrounds erected across the region, as well as a new Strong Starts initiative, which would include obstetric practices. Many of the playgrounds had been completed and others would be added over time. The Strong Starts initiative would function with the goal of connecting to every family and child born in the region, but Mr. Norris expressed that he would discuss divulge the details later.

Mr. Norris pointed out that a \$50,000 donation was made to bring the Virginia Kids Belong to Southwest Virginia. He stated that Virginia Kids Belong was a national program, that could be currently found in Northern Virginia, but Ballard was trying to spread that to the Southwest region of the state, along with the Appalachian Highlands, and Northeastern Tennessee. The hope was that this would eventually lead to a more effective foster care system while simultaneously keeping children closer to their families. Mr. Norris added that Ballard was also doing other things to try and keep children out of foster care, but he did not go into detail.

Mr. Norris ended his announcement section stating that he felt it was important to share the announcements so that he could discuss how that tied into population health for Ballard.

#### *Background on Population Health Plan*

Mr. Norris started off stating that the STRONG Accountable Care Community (the "Accountable Care Community" or "ACC") was formed in the fall of 2018. The organization currently had 300 members that represent multisector groups across the region. Ballard's vision for the group was based on a resiliency model for people of the region. Mr. Norris stated that the acronym "**STRONG**" stood for **Strive Towards Resilience and Opportunity for the Next Generation**. He reported that the acronym had become the centerpiece of Ballard's Population Health plan.

The goal, as described by Mr. Norris, was institute programs that addressed both the social determinants of health. He commented that "only about 20% of what makes us health is healthcare." So, 80% was related to factors outside of the healthcare delivery. This could include social needs or social determinants of health (*i.e.*, genetics and environment). Ballard was dedicated to address both social needs. Mr. Norris stated that these outside



factors created barriers to health and healthcare. Transportation, housing insecurities, food insecurities were all issues that contributed to these difficulties.

The Accountable Care Community had been working with Ballad, Virginia, and Tennessee, to address the health status of the region, not just episodically, but generationally. This would not just include breaking patterns of poor health, but also break patterns of generational education underachievement and poverty.

Mr. Norris summarized stating that this was the basis for both Ballad's and the Accountable Care Community's Population Plan. They were achieving this through two avenues. One was to effectively address the health-related social needs of the vulnerable populations and enhance their access to care. Then they work to address those other determinants by reducing the incidents of childhood trauma or adverse childhood experiences and/or medicating those effects overtime. This is so that they were directly improving educational readiness and performance and pathing the young people to be college and career ready in a way that would break generational cycles, poverty, and poor health.

Mr. Norris stated that it was their believe that they would make the most positive impact on things such as adult health, substance use disorder, or childhood obesity and adult obesity.

#### Update on STRONG Accountable Care Community

Mr. Norris reported that they had created new leadership structures. Ballad was still one of the backbone organizations to the Accountable Care Community. He shared that Ballad was making investments to ensure that was working effectively.

The leadership structure for the Community included a 24-member Leadership Council, that Mr. Norris stated had been in effect for "awhile." To maintain balance between both Virginia and Tennessee, the council is made up of 12 Virginia members and 12 Tennessee members. The Community had picked a Chair and Vice Chair. Mr. Norris named the Chair as Dr. Karen Schetzina, of ETSU Health, and the Vice Chair was Dr. Dennis Carter, of Smith County Schools. Mark Cruise was recently hired as the Director, and Mr. Norris reported that he would begin his job March 15, 2021.

Mr. Norris stated that there were a few main focus points for the Accountable Care Community. The first was to create a "no wrong door" strategy for the members of the Accountable Care Community to be able to refer to one another and other organizations in the region through a digital format. The digital format that was selected by the Community to use was, *Unite Us*, and was funded by Ballad. The ACC was also working on prioritizing resiliency, specifically in the schools. The third area was workforce development life skills.

A program that the ACC was starting this month (March 2021) was called "Strong Pregnancies and Strong Starts." Mr. Norris explained that some people may have heard of this referred to as "universal screening and navigation services."

Chairman Pillion asked if there were any questions for Mr. Norris. Mr. Neese commented that the initiative that Ballad was working on sounded like it would be helpful to the community.

Chairman Pillion called on Mr. Barry to offer the second part of his presentation, discussing the Cooperative Agreement.

### **C. Cooperative Agreement Discussion**

#### Possible Changes to Cooperative Agreement

Mr. Barry began by stating that there were two areas he would focus on during this presentation. He was going to discuss the differences between the Tennessee Terms of Certification (“TOC”) and the Virginia Cooperative Agreement. Mr. Barry expressed that he was unable to explain why the differences existed between the two documents, since he did not start working as the Authority’s Monitor for about two years after they were developed. It was his understanding, however, that the Tennessee and Virginia Departments of Health wanted to have consistency between the Virginia CA and the Tennessee TOC. Mr. Barry also emphasized that it was important to discuss problems in the CA that had manifested themselves over time.

#### Charity

The first problem that Mr. Barry tackled was Ballad’s charity obligation. The number listed in the Virginia CA (similar to the Tennessee TOC) was set much higher than Ballad could meet. Mr. Barry explained why he was “pleading” on Ballad’s behalf to reduce this number.

He reminded the Task Force that Ballad had previously performed well in this area and, in fact, Ballad’s charity care policy was extremely generous and was one of the best in the nation. He reported that Ballad had extended their policy even though it was not required by either state. This extension included providing exemptive charity status to patients, based on data including ZIP codes, credit reports and financial situations. Even if a patient had not requested charity status, Ballad could review their financial status and recognize their struggle or inability to pay their bill, and so treat them as charity patients.

Circling back to why Ballad was missing their target charity amount, Mr. Barry reported that there were many factors. There had been an expansion of Medicaid in Virginia. He explained that Medicaid only pays 60-70% of actual costs. In addition, there had been improvements in Medicaid rates in both Virginia and Tennessee. Mr. Barry stated that one of the largest problems was that there had been a decline in overall volume of patients, which was consistent with a decline in charity volume.

Mr. Barry proposed that Virginia adopt the same proposal as Tennessee, which sets a new charity target amount based on Ballad's 2020 990 tax form. If Ballad were to fail in meeting the new target in subsequent years, then they should be required to conduct an audit in each such instance to verify that Ballad was following their charity care policies. He also suggested that Virginia adopt the existing Tennessee standard, which would increase the charity target each year by a factor reflecting health care cost increases.

Spending – Flexibility

Mr. Barry reported that the Tennessee TOC provided some flexibility if Ballad were unable to meet their spending targets by a 15% margin in a year. He explained how the spending targets operated at the current time and recommended that Virginia adopt the Tennessee standard, permitting Ballad to underspend for each plan by only a small percentage in any single year, as long as it was made up over the three-year period. Mr. Barry included the exact language from the Tennessee TOC, which is set out below for your convenience.

*[I]f the New Health System spends less than the annual spending commitment for an applicable category or subcategory in any Fiscal Year by no more than fifteen percent (15%), such category or subcategory, on an aggregate basis for the three Fiscal Years of the applicable three-year plan, equals or exceeds the amount required to be spent during such three Fiscal Years according to such plan.*

Spending – Timing

Mr. Barry stated that Virginia and Tennessee had slightly different timing for their spending requirements, but in the end the total amount over the term of the CA/COPA came out the same for both states. He expressed that as they are coming out of the COVID suspension, he believes that they should now align the timing of the spending requirements to avoid having different amounts for different years.

Spending – Sanctions for Under-Spending

Mr. Barry stated that in Virginia there was one sanction on spending: the Cooperative Agreement suspension. He made a single recommendation to the Task Force, that the Virginia Cooperative Agreement be aligned with the Tennessee Terms of Certification relating to the issue of possible sanctions for not meeting spending commitments. The provisions to which Mr. Barry referred are set out below.

*With respect to any Noncompliance that is not Cured or is not Curable, the Department shall have the right to invoke one or more Corrective Actions, which may include, without limitation, the following: (1) prohibiting payment of bonuses or other incentive compensation above base salary to any executive officer (i.e., any Vice President or above) of any COPA Party with respect to the Fiscal year in which the Noncompliance occurred (or, as applicable, requiring repayment of such compensation if already received with respect to such Fiscal Year); (2) requiring the COPA Parties*

*to make a remedial contribution in the amount determined by the Department to the Population Health Initiatives Fund, or as otherwise directed in writing by the Department; (3) a COPA Modification; (4) any remedy described in Section 9.08; and (5) if Public Advantage is not evident, termination of the COPA.*

#### Failed Payor Negotiations

Mr. Barry had explained a situation in the last meeting regarding negotiations with a payor. Because of those events, Ballard reviewed the current language in the Cooperative Agreement. He stated that the language required Ballard to mediate if it was unable to reach an agreement with a payor on renewing a contract. If the mediation were unsuccessful, the Agreement would require Ballard to submit to “final offer” arbitration.

Mr. Barry pointed out several problems with the existing language. It was not specified of when the mediation would begin, and the payors were not required to participate. The Department of Health does not have jurisdiction over the payors because [of?] insurance. He stated that timing should be specified along with the event that triggered mediation or arbitration. Mr. Barry stated that they should be prepared to encounter a situation where a payor refuses to engage. He commented that there was a fair amount of drafting that needed to take place regarding the current language in the CA.

#### Out-of-Network Hospital-Based Physicians

Mr. Barry shared with the Task Force that Ballard should be required to include in all contracts with provider-based physicians (e.g., Emergency Room, pathologists, hospitalists, anesthesiologists, radiologists, etc.), a requirement to contract with all of Ballard’s major payors (as defined in Addendum 1). For example, this would be a requirement that physicians were in-network with the payor. He stated that there would need to be some flexibility in order to assure that the payors did not use such a provision to pay unfairly low rates. Even with the new legislation regarding surprise billing, the out-of-network charges could become problematic, especially if the patient had no other option but to use the physician group contracted with Ballard.

#### State Action on Plans and Plan Amendments

Mr. Barry reported that Virginia had been slow to review and approve plans submitted by Ballard immediately after the merger. He attributed their speed to the fact that they were in the process of growing and did not have the staff to operate at a faster pace. Mr. Barry recommended that the Authority clarify this area, such as when a plan or plan amendment was deemed approved, assuming there were no questions or feedback from the Department.

#### Records of Medical Staff Membership and Employed Physicians

Mr. Barry shared that Ballard would maintain records so that it could produce a report of an unduplicated count of Medical Staff members by specialty at each of its hospitals. They would also maintain records so that it could report an unduplicated count of all employed physicians by specialty and location. When an employed physician practiced at more than one location, the report would select the primary location and footnote other locations.

### Education

Mr. Barry stated that the current CA spoke to graduate medical education, which was a term of art that referred to training physicians who had graduated from medical school. He shared that other portions of the CA made it clear that spending on training for other health professionals could be credited toward Ballard's spending obligation. He did not deny that it was important to add physicians to the region, but noted there was currently a shortage in other medical professions, such as physician assistants, nurse practitioners, nurses, certified nursing assistants, etc. The existing CA could be interpreted to cover more than physician training, but Mr. Barry wanted to recommend that an improvement on the wording be made to clarify the inclusion of training for other positions.

### Questions

Mr. Barry asked for questions or comments. Chairman Pillion asked Mr. Barry to provide more detail regarding out-of-network physicians. He asked for Mr. Barry's expectations on how to achieve Ballard's goal. Mr. Barry responded that it was extremely hard to draft this. One step would be modifying the CA and the other would be how Ballard contracted with its network-based physicians. He stated that these steps would only occur as the contracts came up, which was every three years, so it could not happen immediately and, to be fair to the physicians, he did not think it could be done absolutely.

Chairman Pillion asked for further questions. Mr. Neese asked if Virginia was the only state making changes/improvements to the Cooperative Agreement or whether evolution of the agreement was coming from both sides. Mr. Barry stated that it would be mainly Virginia aligning their numbers with Tennessee, except for the issue of the charity care number, where both states would be making a change.

Dr. Rawlins interjected to ask if the Task Force would be provided with a copy of the PowerPoint after the meeting. Mr. Barry stated that Mr. Mitchell's office would provide the slides after the meeting.

With no more questions, Chairman Pillion thanked Mr. Barry for his report.

## **VI. New Business.**

The Chairman stated that there was no new business.

## **VII. Announcements.**

Chairman Pillion asked for announcements. None were made.

**A. Next Meeting of Authority**

The Chairman reported that the Task Force was looking at meeting dates for the middle of May 2021. He stated that an official date would be declared later.

**B. Public Comment.**

Chairman Pillion stated that no one had signed up for public comment.

**C. Adjournment.**

Dr. Henry motioned to adjourn the meeting. The motion [*seconded?*] passed unanimously, and the meeting was adjourned at approximately 7:51 p.m.

**Attached**

Schedule 1 – Attendance Chart of Task Force

Exhibit A – November 19, 2020 Approved Meeting Minutes

Exhibit B – Monitor’s Report PowerPoint

**Schedule 1**

**Attendance Chart of Task Force Members**

<b>Name</b>	<b>Location</b>	<b>Method of Attending</b>
Delegate Kilgore	Home	Cell Phone
Dr. Henry	Home	Cell Phone
Dr. Mullins	Home	Computer
Dr. Took-Rawlins		
Mr. Meadows	Home	Computer
Mr. Neese	Work (Abingdon)	Computer
Ms. Brillhart	Home	Computer
Ms. O'Dell	Home	Computer
Senator Pillion	Home	Cell Phone

**Exhibit A**

**Southwest Virginia Health Authority  
Minutes of  
Cooperative Agreement Task Force Meeting  
November 19, 2020 at 6:00 PM**

**Virtual Meeting Through ZOOM™**

**VIII. Call to Order.**

Chairman Pillion called the meeting to order at 6:00 pm.

Chairman Pillion called on Mr. Mitchell to make certain introductory announcements regarding the meeting.

Mr. Mitchell stated that the meeting was a virtual meeting of the Virginia Cooperative Agreement Task Force pursuant to properly posted notice under Section 2.2-3707 of the Code of Virginia. He asked that everyone mute their telephone or computer microphone if they were not speaking. Mr. Mitchell explained that the meeting would be conducted through the use of electronic means pursuant to Section 2.2-3708.2(A)(3) of the Code of Virginia. Mr. Mitchell stated the Chairman had noted that the Governor has declared a state of emergency due to the COVID-19 pandemic and that the nature of the declared emergency made it impracticable or unsafe to assemble a quorum in a single location. Further, the Chairman had noted that the purpose of the meeting - health care in Southwest Virginia – met the requirement that the virtual meeting be called to “address the emergency”. Mr. Mitchell informed the listeners that the meeting was being held consistent with the directions and guidance of the Attorney General because of the current COVID-19 state of emergency declared by Governor Ralph Northam. He added that the meeting was being recorded and a recording would be made available following the meeting. Mr. Mitchell noted that the public was provided with the means and opportunity to listen into to the meeting. Pursuant to Section 2.2-3708.2 of the Code of Virginia, each Commissioner was asked via email to provide their location, their means of communication, and their reason for participation electronically. He noted that this information would be recorded in the minutes it is attached as Schedule 1. Mr. Mitchell stated that each speaker should identify themselves before speaking. All votes of the Commissioners would be conducted by a roll-call vote. He said that the only anticipated vote was the approval of the minutes from the November 21<sup>st</sup>, 2019 meeting of the full Authority. Mr. Mitchell shared that if anyone had any issues during the meeting or questions, that he was monitoring the chatroom, or the person could call his office at (540) 443-9272.

**IX. Roll Call.**

Chairman Pillion called the roll. Ms. Brillhart, Dr. Cantrell, Dr. Henry, Delegate Kilgore, Mr. Meadows, Ms. Mullins, Mr. Neese, Ms. O’Dell, Senator Pillion, and Dr. Rawlins were all present.

Mr. Barry and Dr. Brownlee were also present.

Mr. Mitchell was present as legal counsel to the Task Force.

Several members of the public were present.

All participants and attendees attended electronically. Nearly 30 members and guests attended the meeting.

**X. Declaration of Quorum.**

Chairman Pillion declared that a quorum existed at 6:04 p.m.

**XI. Approval of Minutes.**



Delegate Kilgore motioned to approve the November 21, 2019 meeting minutes, which are attached as Exhibit A. Mr. Neese seconded the motion. The motion unanimously passed.

**XII. Old Business.**

**A. Report from Subcommittee on Public at Large Applicants**

Chairman Pillion stated that during the last meeting on November 2019, the subcommittee had a goal of filling the vacant citizen seat on the Task Force. The original plan was to fill the vacancy during the March 2020 meeting, but due to the pandemic, the meeting was postponed. The committee sought additional applications for the vacancy and received three:

George E. Hunnicutt, Jr.  
Michael W. Hatfield  
Joseph R. Carico

Chairman Pillion proposed to the Task Force that the seat be left vacant for the time being, as he explained that Dr. Cantrell had announced her retirement from the Southwest Health Authority as the current Health Director. It was his hope that she would return in the future as a citizen to occupy the vacancy.

Chairman Pillion emphasized that Dr. Cantrell had not agreed to accepting the citizen seat, but he still recommended that the Task Force hold the vacancy open until she has had sufficient time to consider filling the role.

Chairman Pillion asked for any objections or comments to the proposal.

Mr. Neese commented, only to agree with the Chairman and commend Dr. Cantrell for all of her hard work in the past on the Authority. He hoped she would fill the position in the future.

No objections were made. Chairman Pillion moved on to the next item of Old Business, the Staff Report.

**B. Staff Report**

The Chairman introduced Mr. Barry by first thanking him for all of his hard work on behalf of the Authority and the Task Force. He explained that Mr. Barry was the front-line monitor for the Authority and had spent considerable time interacting with representatives of Ballard Health.

Chairman Pillion called on Mr. Barry to provide an update.

*Staff Report Presentation*

Mr. Barry thanked Senator Pillion and began his presentation. The PowerPoint presentation is attached below as Exhibit B.

Mr. Barry provided a brief background on what his job entailed. He stated that, on average, he spends between 75-100 hours per month just in meetings and on telephone calls with Ballard, the Virginia Department of Health (VDH), and other monitors in the state of Tennessee. Mr. Barry attends quarterly meetings and weekly phone calls with the VDH and Tennessee monitors and at least once a week he will interact with Ballard Health via multiple phone calls and/or through email correspondence. Since March 2020, he has attended most of the meetings virtually. In addition to the meetings and phone calls, Mr. Barry's job included reviewing quality data, financial reports, and investigating areas where questions arose.

Mr. Barry moved to present his update on the COVID-19 situation in Southwest Virginia.

He stated that Ballad Health had experienced their first peak in number of cases at around 125 patients. In June, that number dropped to nearly zero, but towards the end of the summer, began to rise again. Mr. Barry presented data from Ballad reporting that yesterday (November 18, 2020) they had 225 patients, and today (November 19, 2020) they had 250. It had been projected that the daily number could reach as high as 350 patients.

He stated that the high volume of cases had been exhausting their resources considerably. For example, hospitals have had to reduce their elective surgeries so that the nursing staff could be reassigned to COVID cases. Mr. Barry explained that if the number continued to rise, the elective surgeries would have to be eliminated altogether. To cope with the influx of COVID cases, Ballad has been reassigning staff from their smaller hospitals to hospitals treating the virus. Ballad Health has had to pay significantly more overtime and also higher wages to temporary travel nurses.

Mr. Barry reported that expenses for Ballad in October, solely dedicated to dealing with the pandemic, were well over \$4 million. The expense breakdown included, but was not limited to, additional compensation for staff members, PPE, and payment to staff hired outside of the Ballad Health system.

Another challenge that Mr. Barry stated Ballad was facing was being short-staffed due to staff members contracting the virus. At a time when the hospitals need all the help they can get, this has been extremely challenging.

In March 2020, Mr. Barry stated that per Ballad's request, both Virginia and Tennessee had suspended (they did not eliminate them) parts of the cooperative agreement (COPA), including spending. In addition, reporting obligations quarterly and annually were halted. Ballad anticipated the pandemic to last longer than initially thought, so they extended the reporting date to November 25, 2020. Mr. Barry reported the last annual report was back on February 29, 2020.

#### FY 2020 Financial Results

The next topic for discussion was the fiscal results from 2020.

Mr. Barry stated that for FY2019, Ballad reported a \$39 million profit with nearly \$2 billion reported in income. He shared that the audited financial statements for 2020 had not been received yet, but were anticipated to become available any day now. Mr. Barry predicted that the financial statements for 2020 to show half the net income than the previous year, but he stated that that was an optimistic prediction considering the decline in elective surgeries coupled with the public's fear of visiting hospitals.

The federal funding from the CARES Act alleviated some of the financial strain faced during the pandemic. Mr. Barry explained that some of the money received in the CARES Act would cross over into 2021. He also stated that Ballad should still be able to qualify for the FEMA funding in 2021, but there remained a great deal of uncertainty on the outcome as there was with the general financial situation during the pandemic.

#### Spending Requirements

Concluding the topic of financial results from 2020, Mr. Barry moved to the discuss the spending requirements for Ballad.

Mr. Barry stated that Ballad had committed to spend \$380 million to improving healthcare in the community when applying for the cooperative agreement. He noted that it was incremental spending. Ballad Health set aside \$72 million from the budget for employee compensation equalization. This left them with \$308 million to spend on Population Health, Rural Health, Behavioral Health, Children's Health, and Medical Education and Research as well as implementing a health information network for the entire service area. Virginia and Tennessee both reviewed and approved the spending plan developed by Ballad Health. Mr. Barry stated that the plan had a three-year period, which was ending July 1, 2021. He stated that there should be a new plan in place by that time. It is expected to see new plans submitted to Virginia and Tennessee on or before April 1, 2021.

Spending Shortfalls for FY2019

Mr. Barry presented a table representing the actual spending versus the commitments for the FY2019. The table below shows where there was excess spending during the FY2019.

	<b>FY 2019 Spending Commitment</b>	<b>FY 2019 Actual Spending</b>	<b>FY 2019 Spending Excess (Shortfall)</b>
<b>Behavioral Health Services Plan</b>	1,000,000	960,000	(40,000)
<b>Children’s Services Plan</b>	1,000,000	33,000	(967,000)
<b>Rural Health Services Plan</b>	1,000,000	412,000	(588,000)
<b>Population Health Improvement Plan</b>	1,000,000	1,650,000	650,000
<b>Health Research &amp; Graduate Medical Education Plan</b>	3,000,000	0	(3,000,000)
<b>Region-Wide Health Information Exchange Plan</b>	1,000,000	0	(1,000,000)
<b>Total</b>	<b>\$8,000,000</b>	<b>\$3,055,000</b>	<b>(\$4,945,000)</b>

*Table 1. Ballard Health Actual Spending vs. Commitments – Fiscal Year 2019<sup>3</sup>*

Mr. Barry reported that Ballard fell short \$40,000 in Behavioral Health services. In Virginia this was a technical issue, but for Tennessee this was not a problem, because they had a 15% window around the committed amount so that if Ballard fell below by less than 3% it would not cause a problem. They would, of course, have to make it up the subsequent year. As Mr. Barry put it, they do not get a “freebie”.

Mr. Barry explained that at the beginning of 2019, Ballard recognized that the proposed budget for the Children’s Service Plan was a bit too aggressive. The number of births in the area and the population of pediatric cases were declining and Ballard was struggling to obtain the subspecialists that were required under the plan. It was Ballard’s goal to revise the plan in April 2020, but the pandemic prevented this from happening. Mr. Barry added that Ballard hoped to see a revised plan before April 1, 2021.

The Rural Services Plan, Mr. Barry stated, did not show the efficiency in 2019. Mr. Barry expressed that he would go into more detail later on in his presentation when discussing Lee County.

Ballad spent well over the amount allocated to Population Health Improvement Plan. Mr. Barry stated that Ballard was extremely organized in this area and provided several grants to the community while also launching a longitudinal study. He reported it as a “success story” and continued to express that he believed Ballard will be able to point with pride at what they have accomplished with this plan in the future.

Mr. Barry reported an issue of timing between Virginia and Tennessee for the Health Research and Graduate Medical Education Plan. Tennessee had agreed to a postponement of the amount shown in **Table 1**, which left them a little overspent on material. Virginia, however, found themselves underspent in this area. Mr. Barry stated that Ballard had hoped to provide training programs, but the process was taking longer than anticipated. Ballard was currently working towards several proposals to amend this plan. Mr. Barry would provide more detail later in his presentation.

Mr. Barry lastly described the Region-Wide Health Information Exchange Plan. Anyone utilizing this plan would be able to go into a system and access a patient’s entire medical record. Mr. Barry noted that the patient

<sup>3</sup> Table is found on Dennis Barry’s PowerPoint Presentation labeled as Table 3.

would have to give consent for this to happen, but using this program could vastly improve patient treatment. Mr. Barry stated that Ballad initially reported that they would be working on the plan in 2019 and 2020, but they were simultaneously implementing EPIC computer system. Converting all of Ballad's non-converter physician office sites to EPIC took place on June 1, 2020. Mr. Barry reported the response as positive. Ballad converted all of the Legacy Mountain State Hospital sites in early October 2020 and it too was received well according to Mr. Barry.

Action on Spending

Mr. Barry, Senator Pillion, and Delegate Kilgore were concerned with the shortfall in spending for the Fiscal Year 2019. This prompted them to send a letter to the commissioner, Dr. Oliver, at the Virginia Department of Health, stating that the spending was the core of the shortfall and it "really had to happen". They urged Dr. Oliver to communicate to Ballad how important it was to them. In response to the letter, Dr. Oliver sent a separate letter to Ballad in July 2020. He pointed out to Ballad that they did not meet the spending targets and asked what their plan was to remedy this in the upcoming year. Mr. Barry stated that Ballad had fallen short at the beginning of 2020, as well, before COVID hit their region.

Ballad responded with a proposal. Discussions between Virginia, Tennessee, and Ballad resulted in Ballad agreeing to set aside the money that they were short to spend in the upcoming years. Mr. Barry explained that Ballad would put it in reserves to make up for the spending shortfalls.

Dr. Rawlins asked Mr. Barry (referring to **Table 1**) to explain what \$0.00 reported for the Health Research & Graduate Medical Education Plan and Region-Wide Health Information Exchange Plan, actually represented. She explained that she had a difficult time believing that there was zero dollars spent for either plan. Mr. Barry explained that Ballad had met with contractors from both Virginia and Tennessee and defined baseline spending. The requirement was that the spending commitments show incremental spending. So, the incremental spending for the Health Research & Graduate Medical Education Plan and the Region-Wide Health Information Exchange Plan was determined, by Virginia and Tennessee to be zero (Mr. Barry noted that the number was determined by the Tennessee monitor and Virginia did not duplicate his work).

Dr. Rawlins was unsatisfied with the explanation, stating that the report did not provide enough information to allow the Task Force to fulfill their job. She stated that it would have been better to show the amount of money predicted to spend in certain areas and then the actual amount spent. Senator Pillion called on Mr. Eichorn (representative of Ballad) to comment on Dr. Rawlins question.

Mr. Eichorn stated that Ballad was required to do two things in regard to spending. They had to establish a base spending level for each of the plans (**Table 1**). Mr. Eichorn confirmed that what Mr. Barry had explained above was correct. He reported that what was represented in the table as "0" simply meant that Ballad had met exactly or close to the base line number set for FY2019. Mr. Eichorn continued to explain that what was represented in the table was incremental spending versus what was in the plan. He stated that those plans show zero under the FY2019 because they were approved in the last quarter of the year, so Ballad did not start spending any money against a plan until both Tennessee and Virginia had approved them. Once the approval came in the last quarter of 2019, Ballad requested that the states waive the spending requirement for that year. Tennessee agreed to waive it, but Virginia did not. Mr. Eichorn stated that that was why the two plans were included on the Table for FY2019. Dr. Rawlins stated she understood what he had said but wanted to ensure that there was no action required, since the information was difficult to evaluate in the manner it was presented. Mr. Barry confirmed that there was no action needed by the Authority. He stated that the commissioner did take action and that the action was not to penalize Ballad but to emphasize its importance to the community and request a plan on returning to the original schedule.

Adverse Judgment Affirmed on Appeal

Mr. Barry moved forward in his presentation to provide background information on the judgment against Wellmont. More than ten years prior, executives at Wellmont had entered into an agreement with HPI, a group that represented several physician practices. The agreement outlined how they would negotiate jointly on certain payor contracts.

Mr. Barry emphasized that he had not read the agreement and was not aware of the details it entailed.

HPI claimed that Wellmont violated the agreement in 2013. They filed a lawsuit and the jury ruled against Wellmont, which Mr. Barry stated meant that Ballard was liable on that judgement. The judgement was for more than \$50 million. Ballard appealed the judgement and lost on appeals on September 25, 2020. Mr. Barry informed the Task Force that Ballard had booked a reserve, with respect to this case, that would show on the FY2020 financial statements when released. Mr. Barry stated that this was not good news but reported that it should not affect Ballard's immediate ability to meet their spending commitment.

#### Modification of Research/Education Plan

Mr. Barry explained that as new opportunities arise throughout the plan's timeframe, Ballard could come to the states and request that the new opportunities count towards their spending commitment, even though it was not originally included in the plan. He shared that Ballard was currently involved in this process to modify the plan to include several items.

One item that is included in the modification is for their Research and Medical Education Plan. Ballard had committed approximately \$2.5 million towards a program sponsored by both the Appalachian School of Law and Virginia Tech. The outline of the program is to allow law students, with the supervision of a licensed attorney and with special permission from the State Bar, to assist patients and their families to access resources. These resources could include rent assistance, assistance in paying utilities, or landlord tenant issues. Mr. Barry stated that the law students would also have the ability to provide legal advice to the health professionals. This program was designed to tie the law program to the hospital and will continue for about 2.5 years, while being evaluated throughout. Mr. Barry shared with the Task Force that there are several nationally recognized programs, similar to this one, that are well established.

The second change to the Education Plan that Ballard sought to implement in the modification, was postponing their psychiatric residency program in Southwest Virginia. Mr. Barry stated that Ballard was unable to find a partner to support the program, emphasizing that the University of Virginia was not interested and that the Eastern Tennessee State University did not reject the proposal, but could not participate currently. Ballard was looking into other options, but for now, Mr. Barry stated they had to postpone. In replacement of the program, Ballard was putting in place training programs for primary care physicians allowing them to prescribe medications for mental health.

Dr. Henry interjected to add a recommendation. She shared that UVA-Wise had recently increased funding in their tele-mental health program all across rural Virginia. The program included psychiatrists and psychologists across the state. Dr. Henry was not sure how they could tie the two together but suggested that she could reach out to Ballard and discuss the possibility of a partnership. Mr. Barry responded that he would contact the head of the program and have him get in touch with Dr. Henry.

Ms. Mullins then asked a question. She wanted to know if Ballard had canvassed the majority of people's insurances to identify if there was mental health coverage, because how were people supposed to pay for the program. Mr. Barry was unsure of the correct answer but speculated that Ballard was familiar with the type of coverage people had in the area and stated that insurance for mental health was typically high and that most people suffering from mental health issues were not covered at all, because it could affect their employment status. He stated that Ballard was expecting to lose money in this area.

#### Change in Services

Mr. Barry moved to discuss the status of the opening of the Lee County Hospital. The project was delayed due to the pandemic, but Mr. Barry shared that it is back on track to open on July 1, 2021. The capital expenditure on this project was over \$11 million. It is going to be set up as a critical access hospital, but Mr. Barry stated that Ballard was expecting this project to lose money. The hospital construction was not a part of the Cooperative Agreement, Ballard had undertaken this project on their own initiative.

Mr. Barry moved to report that the OB/Gyn program was being consolidated and moved from Holston Valley, Tennessee to Indian Path, Tennessee. Since they would be shutting down the service at the hospital, it required approval and a waiver. Currently, Mr. Barry stated that the waiver request was still pending. He stated that it was anticipated that the waiver would be approved.

He stated that Ballard was closing three urgent care centers, due to low use. Only one of the three facilities, located in Bristol, Virginia, was co-located with a physician practice, which Mr. Barry ensured would remain open.

Wise County

Mr. Barry informed the Task Force to expect a proposal for consolidation of services among Norton, Lonesome Pine, and Mountain View. Ballard is expected to submit a proposal in the spring.

Revision of the Cooperative Agreement and TOC

Mr. Barry reported that the Annual Report would be coming in the week after this Task Force meeting. He shared that last year's annual report was over three hundred pages and contained a vast amount of useless information that was required. The contents of the Annual Report have been changed since then to be more useful and less burdensome to prepare.

Mr. Barry stated that there were some inconsistencies in the cooperative agreement between Tennessee and Virginia, that Ballard Health and the States want to resolve. It would take time to get the amendments made, considered and approved, but Mr. Barry informed the Task Force that the process had already begun.

Mr. Barry informed that Task Force needed to review and modify sections of the cooperative agreement to add clarity to certain terms. For example, he mentioned charity, mediation, and arbitration with payors when deadlocked on contract negotiations. He stated that unless he was directed to the contrary, he would present recommendations on amending the Cooperative Agreement to the Task Force for review and to request a decision on what to recommend to the Authority to pass on to the Commissioner.

**XIII. New Business.**

Chairman Pillion stated that there was one item of new business – the current Blueprint of the Health Authority. He added that the Task Force was set to revise the Blueprint during 2020, but the pandemic prevented this from happening.

Dr. Cantrell was called upon to provide a brief overview of the Blueprint and give details on the last revision.

Dr. Cantrell's Presentation

Dr. Cantrell stated that the first edition of the Blueprint was developed and published in 2009, completed by a community assessment process. The progress report that was included in the packet for the meeting was published in 2011 and covered the original blueprint goals. In 2015 the full Authority proposed updating the Blueprint. At that time, the footprint of the Authority was in the process of expanding to include Bristol City, Washington County, and Smyth County. The Authority also felt that it would be important to use an evidence-based tool to do the community assessment to ensure a system was used that would provide a fair and objective view of the health priorities in the community. Dr. Cantrell stated that she and others were a part of a team that evaluated the few evidence-based tools for community assessments and they ultimately decided to use MAP.

She described MAP as a product published by a national organization that looked at four aspects of doing a community assessment. She reported that it took most of 2015 to complete all four parts of the MAP assessment. At the conclusion of the assessment, it was rolled up into a document that prioritized five or six areas with some metrics under each heading. Dr. Cantrell stated that members that were a part of the Authority at that time might remember the document, which was based around themes of healthy minds, healthy living, and raising healthy children.

Dr. Cantrell recommended to the Task Force that they update the assessments every three to five years. In December 2019, the Authority proposed to work on updating the Blueprint in 2020. Dr. Cantrell referenced Chairman Pillion's statement before her presentation that stated that the Task Force was due to review the Blueprint during 2020, but the pandemic struck, and the Authority was pivoted to other more essential responses. She reported that a limited amount of work has been done on the Blueprint or the assessment to the Blueprint.

Dr. Cantrell proposed that if the response to the pandemic were to become manageable, that the Task Force should start looking for resources to update the Blueprint. She emphasized the importance of completing this task.

She concluded her presentation and thanked everyone.

Chairman Pillion asked for questions or comments regarding the Blueprint. When no questions or comments were heard, he asked the Task Force if they should recommend to the full Authority that they relaunch efforts to revise the Blueprint in 2021. Dr. Cantrell expressed her agreement with the Chairman. Dr. Henry was called upon to answer whether or not she would support the recommendation to the Authority. She responded that UVA Wise would support the revision of the Blueprint.

Dr. Cantrell motioned to revise the Blueprint. Dr. Henry seconded that motion. Chairman Pillion called the roll.

Ms. Brillhart - Yes  
Dr. Cantrell - Yes  
Dr. Henry - Yes  
Delegate Kilgore - Yes  
Mr. Meadows - Yes  
Ms. Mullins - Yes  
Mr. Neese - Yes  
Ms. O'Dell - Yes  
Ms. Rawlins - Yes  
Senator Pillion - Yes

Chairman Pillion stated that the motion passed.

**XIV. Announcements.**

Chairman Pillion asked for announcements. None were made.

**XV. Next Meeting of Authority.**

Chairman Pillion noted that there was no date established for the next full Authority meeting. He stated that a decision needed to be made on when to hold the next meeting. The original plan was to hold quarterly meetings, which would mean the Task Force should meet sometime between January and March of 2021.

**XVI. Public Comment.**

Chairman Pillion reported that no one had signed up for public comment.

**XVII. Adjournment.**

Chairman Pillion motioned for the meeting to be adjourned. Dr. Henry seconded. The motion passed unanimously, and the meeting was adjourned at approximately 7:40 p.m.

**Attachments**

Schedule 1 – Attendance Chart

Exhibit A. – November 21, 2019 Meeting Minutes

Exhibit B. – Ballard Update PowerPoint Presentation



**Schedule 1**

**Attendance from November 19, 2020 Southwest Virginia Health Authority Task Force Meeting**

<b>Member Name</b>	<b>Actual Attendance (Y/N)</b>	<b>Location of Attendance</b>	<b>Method of Attending</b>
Catherine Brillhart	Yes	Home	Computer
Dixie Rawlins	Yes		
Dennis Barry	Yes	Home	Computer
Donna Henry	Yes	Office on Campus, the building is Lila Vicars Smith at UVA Wise	Computer
Donnie Meadows	Yes	Home	Computer
Jeff Mitchell	Yes	Office	Computer
Niki Mullins	Yes	Home	Computer (unless the wifi is slow, then phone)
Sam Neese	Yes	Office	Computer
Sandy O'Dell	Yes	Home	Phone
Sue Cantrell	Yes	Office	Computer
Todd Pillion	Yes	Home	Phone

**Exhibit A.**

**Southwest Virginia Health Authority  
Minutes of  
Cooperative Agreement Task Force Meeting  
November 21, 2019 at 6:00 PM**

**Southwest Virginia Higher Education Center – Room 235  
Abingdon, Virginia**

**XVIII. Call to Order.**

Chairman Pillion called the meeting to order at approximately 6:00 pm.

**XIX. Roll Call.**

Ms. Delilah McFadden called roll. Ms. Catherine Brillhart, Dr. Sue Cantrell, Mr. Sam Neese, Ms. Sandy O'Dell, and Chairman Pillion were all present.

Ms. Stacey Ely was present as a representative for Ballad Health.

Mr. Jeff Mitchell was present as counsel to the Authority.

Mr. Terry Kilgore was present by telephone as an *ex officio* member of the Task Force.

Mr. Kevin Meyer from the Virginia Department of Health was present by telephone.

Mr. Dennis Barry was present by telephone as an employee of the Authority.

**XX. Declaration of Quorum.**

Chairman Pillion declared a quorum existed at approximately 6:01 pm.

**XXI. Review/Approval of Minutes from October 7, 2019 meeting.**

Chairman Pillion asked if everyone had the opportunity to review the minutes from the previous meeting of the Task Force, held on October 7<sup>th</sup>, 2019. Ms. Brillhart and Dr. Cantrell stated that they had noticed several minor typographical errors on page 8 of the minutes. The errors were noted, and Chairman Pillion asked if there was a motion to accept the amended minutes. Ms. Brillhart made the motion. Mr. Neese seconded the motion, and it passed unanimously.

**XXII. Old Business.**

**A. Report from Subcommittee of Task Force on Public at Large Applicants.**

Chairman Pillion began by reviewing how the subcommittee was created. In the Virginia Cooperative Agreement Task Force Charter, he stated, Article III, Section 3 states that up to four members of the public who are not already members of the Authority Board of Directors may be appointed to serve on the Task Force. At the October 7<sup>th</sup> meeting of the Task Force, it was decided that a subcommittee should be formed in order to select these individuals from the public at large. Chairman Pillion noted that the subcommittee is comprised of Ms. Brillhart, Dr. Cantrell, and himself, and that the first meeting took place on October 17<sup>th</sup>, 2019, where they discussed the process for garnering public interest.

At this meeting, he noted, the subcommittee decided to create an application that would be made available for any member of the public to fill out. The form of this application is attached here as Exhibit A. Chairman Pillion stated that the application was made available on October 18<sup>th</sup>, 2019 via the Authority's website and had to be submitted by 5:00 pm on November 1<sup>st</sup>.

He noted that, in total, the subcommittee received four applications from members of the public. This was surprising, he stated, because they had been made aware of a lot of public interest prior to releasing the application; however, the time commitment required of members of the Task Force may have made people hesitant to apply.

The four applicants were Mr. Donnie Meadows, Dr. Nichole Mullins, Mr. Anthony Robbins, and Dr. Jeffrey McQueary. Chairman Pillion noted that Dr. McQueary was deemed unable to perform the duties required of the Task Force due to language in the Authority's statute. Of the applicants, he stated, the subcommittee chose to recommend the remaining three.

Chairman Pillion briefed the Task Force on the background of the applicants. He stated that Mr. Donnie Meadows has an extensive history of administering health plans, and currently serves on the Board for Johnston Memorial Hospital. While his background is non-clinical, Chairman Pillion noted, it is the belief of the subcommittee that Mr. Meadows will be a valuable contribution to the Task Force. He also noted that Mr. Meadows works as the Vice President for KVAT Food Stores. Chairman Pillion went on to introduce Dr. Nichole Mullins, who works as a community pharmacist and has hands-on experience that allows her to understand the pressures Ballard faces in the community.

When introducing Mr. Anthony Robbins, a long-time member of the Southwest Virginia community and a volunteer with Emergency Medical Services, Chairman Pillion also noted that the subcommittee had some concerns in recommending him. He stated that, despite prior research into each of the applicants, they were not made aware of Mr. Robbins' history and troubles with the law until after choosing to recommend him. He noted that the subcommittee wanted to hear what the rest of the Task Force's thoughts were on the matter and opened the floor up for discussion.

Mr. Mitchell suggested that the Task Force consider directing himself and his staff to figure out if the proposed applicants are qualified to serve. He noted that this review would be extended to all three applicants, and that the applications would be reexamined, and more information sought out to determine if the applicants are eligible to serve on the Task Force. Mr. Mitchell clarified that this review would not be based on the applicants' qualifications "academically," but would be research into if they are actually qualified to serve. He noted that the Task Force would need to decide how to proceed before the full Board meeting in December and asked if they would be comfortable motioning to only forward those names that are qualified pending his review.

Chairman Pillion stated that he preferred that. Dr. Cantrell motioned to only forward the qualified names, as determined by Mr. Mitchell and his staff. Ms. Brillhart seconded the motion, and it passed unanimously.

#### **B. Recommendation on Revisions to Task Force Charter**

Next, Chairman Pillion began discussion regarding revisions to the Charter of the Task Force. He noted that Delegate Kilgore had originally been slated as Chair of the Task Force, per Article III Section 1 of the Charter. Therefore, Chairman Pillion noted, Article III Section 1 of the Charter was amended to delete the provision automatically slating Delegate Kilgore as Chair, and a new provision was added to Article III Section 3 that stated the Task Force was to elect a chair. He noted that this election, as well as the elections of Vice Chair and Secretary, were held at last month's meeting.

The only other change to the Charter was a minor typographical change in the first paragraph. Chairman Pillion stated that he believed the Task Force should approve the discussed amendments and recommend

them for approval at the December meeting of the Board. Ms. Brillhart motioned for the approval, and Mr. Neese seconded. The motion passed unanimously.

C. Recommendation on Memorandum of Agreement with VDH

Chairman Pillion began discussing the Memorandum of Agreement (“MOA”), stating: “At last month’s meeting it was determined that we would delay discussion on the Memorandum of Agreement with the Virginia Department of Health until today’s meeting to allow for adequate time for members to review the agreement.” He noted that the MOA and supplementary materials that were distributed at the October meeting were included again in everyone’s meeting packets, then opened up the floor for discussion.

Ms. Brillhart noted that some of the wording in the MOA was confusing, referencing Section 3(d) of the MOA, which details the role of the Health Authority and notes the duty to provide recommendation to the Commissioner of Health. Mr. Mitchell noted that the challenge with the MOA and specifically with that section was the lack of any sort of schedule to guide the Department of Health on specific dates by which the Authority should act. He noted that the intent seemed to be to require the Authority to act in a “timely fashion.” Ms. Brillhart stated that it may be best that they just leave the section unmodified.

She also noted that in some areas of the MOA, references to the Commissioner were gendered, stating ‘he makes’ instead of ‘the Commissioner makes.’ She stated that it would be a good idea to modify this to be neutral. Chairman Pillion concurred, then asked if a motion was necessary. Mr. Mitchell stated that they could just recommend the amendments to the Authority and say that the changes were discussed and are recommended by the Task Force.

Mr. Mitchell also discussed some of the history of the MOA, noting that the first draft of the document was very thin and very vague, and Delegate Kilgore had said the goal should be to try and “figure out what the Authority is supposed to be doing so they are doing what is expected, but also to try and find a legitimate role for the Authority to play and define that role.” Mr. Mitchell noted that he believes the MOA now strikes the balance they were looking for, with the Authority having a more defined role but also reiterating multiple times that the Commissioner is in charge. He stated that the Authority still has a very strong voice, especially regarding public hearings, and they remain very engaged in the MOA.

Dr. Cantrell asked who the Authority should be engaging with in their reports. Mr. Mitchell stated that Mr. Dennis Barry has been working closely with the Department of Health to accomplish his reports, and engagement is mostly done through him. Dr. Cantrell noted that it would be beneficial for them to receive written reports on the information that is presented. Chairman Pillion agreed, stating that the presentations contain a lot of information that can be hard to process. It was decided that the written presentations/information as well as the meeting packets would be distributed at least 24 hours prior to the meetings in order to allow time for the Task Force and Board members to review.

D. Review of Staff Expectations

In moving on to the review of staff expectations, Mr. Mitchell opened by noting that Ballard had asked for the Task Force to come up with a calendar for 2020 as soon as possible to ensure they are able to be present.

Chairman Pillion agreed and continued, noting the tremendous help Mr. Dennis Barry, Mr. Richard Brownlee, and Dr. Thomas Massaro have provided to the Authority and to Ballard throughout the entire Cooperative Agreement process, with Mr. Barry taking the lead. He noted that at the October meeting of the Task Force, Mr. Barry had presented a job description for himself as the Ballard Merger Monitor. Chairman Pillion noted that Mr. Barry had asked the Task Force to review the description and provide feedback on how it should be amended to better fit what everyone would like to see from Mr. Barry’s role. He opened up the floor for discussion.

Dr. Cantrell stated that she appreciated Mr. Barry's role as a participant in the deliberations, his summarizing and relaying information to the Authority, and his expertise in informing opinions. She also emphasized the earlier sentiment that written forms of the information he presents on would be very helpful in guiding them. Chairman Pillion agreed.

Mr. Mitchell stated that he knew Mr. Barry struggled with determining what the Authority actually wanted to hear about and whether there are specific subject matters of interest. He noted that it may be beneficial to prepare the Authority members prior to the December meeting so they can let Mr. Barry know if there are any specific matters they would like to be informed about.

Chairman Pillion agreed that this would be beneficial and noted that Mr. Barry can confirm what matters are part of the Cooperative Agreement and what aren't, which could clear up some gray areas that they all have. He asked if there was any further discussion. Mr. Mitchell noted that they would just recommend the description to the full Authority.

#### E. Staff Report

Chairman Pillion called on Mr. Barry, who was present by telephone, to deliver his staff report. Mr. Barry began by stating that at the end of October Ballad had submitted its annual report to the compliance monitors. The report has two portions, he noted; one portion is 270 pages long and contains nonconfidential information, while the second is over 300 pages long and contains information that Ballad has identified as being confidential, proprietary, or containing commercial/business information that they couldn't disclose.

Mr. Barry stated that everyone with the state, meaning the state regulators and himself, have read and reviewed the annual reports. He noted that they had met with Ballad on November 19<sup>th</sup> and 20<sup>th</sup> to go over a number of issues with the reports and ask questions. This is just one of a series of monthly meetings they have with Ballad, he stated, noting that they try and coordinate with Ballad so that the Tennessee monitor, Larry Fitzgerald, the Virginia Department of Health representative, Kevin Meyer, and himself can all attend the meetings at the same time to try and reduce the burden on Ballad of trying to meet individually. He stated that meeting together also allows them to work together and get the same information, since they all have different questions and concerns.

Mr. Barry stated that Ballad and their senior management work to be open with the regulators by preparing schedules and materials for them and walking them through matters. He brought up an example of them working to allow the regulators a comprehensive understanding of new proposals for charges and limits to rate increases, which he said would be covered more thoroughly in the December meeting.

Mr. Barry noted that Mr. Mitchell will distribute electronic copies of the annual report to all Task Force members. He stated that many parts of it are formulaic or are just responses to requirements in the Cooperative Agreement or the COPA, and may not be of particular interest, though he doesn't intend to discourage anyone from reading it. He noted that the states are working to rethink what they want to ask for, because a lot of the information in the report has proven to not be useful, while some information that could be of use has not been included.

Finally, he noted that in the December meeting they are asking from Ballad a summary of questions that he and the Virginia Department of Health can go through to give the Authority a comprehensive presentation of what he believes to be important from the annual report.

Chairman Pillion asked if anyone had any questions for Mr. Barry, then thanked him for all the work he does for Ballad and the Authority.

Mr. Mitchell agreed, and stated that he attends four meetings a year and thought each one was an impressive display, with lots of information presented. He noted that the meetings are productive, and it would be

beneficial to have members of the Task Force attend some of the meetings to see what's going on. Chairman Pillion agreed.

Dr. Cantrell asked if the meetings were still referred to as deep dive/light dive. Mr. Mitchell said they don't call them that anymore, but there are two meetings that deal with the plans and two that deal with other issues.

Mr. Mitchell noted that the meetings for 2020 would be held in January, April, July, and October. He stated that he recommends the Task Force meet in each month that follows one of the meetings to give Dennis time to process the information and generate a report. Mr. Barry agreed. Mr. Mitchell said the Task Force can do more than four if they would like, but the four feels right. He noted that the full Authority Board meets twice a year, in June and in December, and he thinks Mr. Barry and himself should find a way to poll the members to see what they would like to hear. He stated that if Mr. Barry were to report on the entire contents of the meeting with Ballard, the meeting would be four to five hours long, and that Mr. Barry uses his discretion to determine what to present on and what the Authority wants to know. Though it is a good idea to poll members, Mr. Mitchell stated, Mr. Barry and his compatriots have been with the Authority since its genesis, so they know what the focuses and goals are and understand what the Authority is generally looking for.

Mr. Mitchell also noted that Dr. Cantrell thought a reevaluation and updating of the goals should be discussed and stated that this discussion should be held at the December meeting.

Chairman Pillion asked how questions from the community or from the Task Force should be presented: to Mr. Mitchell and Mr. Barry, or directly to Ballard.

Mr. Mitchell stated that Ballard requested that questions or concerns be funneled through to Dennis. He noted that when Ballard receives a question from the Authority or from the Task Force, they immediately attend to it, and there have been times where the question has not been of critical importance but they addressed it immediately anyway and dropped everything unnecessarily. This doesn't mean to stop asking questions, Mr. Mitchell reiterated, but just put them through to Mr. Barry first. Chairman Pillion emphasized that the optimal way to contact Ballard would be through Mr. Barry.

Mr. Barry stated that the best way to get in touch with him was through email, which he monitors daily. His email address is [dmbarry@verizon.net](mailto:dmbarry@verizon.net).

Mr. Mitchell noted that Mr. Eric Bodin of the Virginia Department of Health had discussed previously that there is a sort of judgement call when and if you get a complaint: is the complaint actually about the Cooperative Agreement or the COPA, or, if Mountain States, and Wellmont were still separate, would it be just a hospital question. He stated that both types of questions go to different places in the Virginia Department of Health, and Mr. Barry can help ensure the questions get to the correct places.

Chairman Pillion noted that had been an issue he had noticed, and he thinks Mr. Barry could help fix that.

### **XXIII. Announcements.**

Chairman Pillion asked for announcements.

Mr. Mitchell stated that the next Authority meeting would take place on December 11<sup>th</sup> and asked when they would like to receive the meeting packets. Dr. Cantrell said she would like to receive them at least 24 hours in advance. Several other Task Force members agreed.

Mr. Mitchell also noted that Ballard Health had opened up the urgent care in Lee County and Mr. Pillion asked Ballard Health if they would like to give more detail.

Ms. Ely discussed this opening, stating that the urgent care had been very busy, averaging in the mid-twenties every day. She noted that they have seen a higher acuity, have transferred a lot of patients out, and have been

working closely with local EMS to get better response times. She noted that the space is under construction, but everything is moving forward. One of the visiting physicians that works with the urgent care from time-to-time, she stated, has said that all the patients have been extremely grateful, and the community has provided a lot of positive feedback.

Ms. Ely also noted that many people view the urgent care as being an extension of the hospital, which she didn't expect. She stated that this was an exciting feeling in the community. She also noted that the critical access hospital application was filed and is with the Virginia Department of Health; the roof is under construction; and trees have been removed that were blocking viewing of the hospital. She noted that the community is excited to see activity with the hospital.

Mr. Mitchell requested that Ms. Ely discuss the progress of their telehealth initiatives.

Ms. Ely continued, stating that the telehealth equipment hadn't been installed yet due to a delay from snow, but they are still moving forward. She noted that they are working on an article in the Powell Valley News to present the telehealth initiative in schools and stated that the telehealth facilities are available for faculty and staff as well as for students. She also noted that telehealth will be available in urgent care.

Ms. Ely also discussed a new initiative called the "morning mile," which allows students to come into school early to run or walk a mile. She noted that there would be rewards built into the program, and the whole program is meant to encourage healthy behavior. Chairman Pillion stated that it was a great program. Ms. Ely agreed and noted that they had gotten the program into a couple of elementary schools so far and are hoping to get it into all the elementary schools in the area.

Chairman Pillion asked which school the telehealth would be in. Ms. Ely stated it would be in all of them.

Mr. Mitchell noted that a unique thing about Lee County is that every school has its own school nurse. Ms. Ely stated that a lot of schools in Southwest Virginia have to share their school nurses amongst counties, but every school in Lee County has their own school nurse.

Chairman Pillion asked if all the nurses are trained in the telehealth equipment. Ms. Ely said yes, they are; Ballard trains them, and the cost of all the equipment and training has been footed by Ballard, so the schools haven't had to pay anything.

One of the Task Force members stated that she was in a meeting that morning with Ballard Health and they had discussed providing defibrillators for all EMS agencies. She noted that this shows there has been a lot of good that has not been publicized, and thanked Ballard for their work.

**XXIV. Next Meeting of Authority.**

**A. Discussion of 2020 Meeting Schedule**

Mr. Pillion noted that they had already discussed the meeting schedule, but requested that Mr. Mitchell provide specific dates soon, such as deciding to meet on the second Wednesday of each month, or something similar.

Again, the meetings of the Task Force in 2020 will take place in each month following a meeting with Mr. Barry and Ballard. These months are February, May, August, and November.

The full Authority meets on December 11<sup>th</sup>, 2019 at 3:00, and will meet twice in 2020, in June and in December.

**XXV. Public Comment.**

Chairman Pillion noted that no one had signed up for public comment.

**XXVI. Adjournment.**

Mr. Neese motioned for the meeting to be adjourned. Dr. Henry seconded. The motion passed unanimously, and the meeting was adjourned at approximately 6:44 p.m.



**DRAFT** - Subject to approval of the Task Force at the next meeting

**Exhibit B.**

**Ballad Update PowerPoint Presentation**

**(Attached Under Separate Cover)**

**DRAFT** - Subject to approval of the Task Force at the next meeting

**Exhibit B**

**Ballad Update PowerPoint Presentation**

**(Attached Under Separate Cover)**