



July 20, 2016

Commissioner John J. Dreyzehner  
Department of Health  
710 James Robertson Parkway  
Nashville, TN 37243

Dear Commissioner Dreyzehner:

We trust you are doing well, and that you are actively engaged in evaluating the merger between Mountain States and Wellmont. Having observed the work of the numerous public meetings, we are pleased you went to the effort to ensure the public had a robust opportunity, on multiple occasions, to provide input. We are not aware of any state in a similar circumstance providing so much public opportunity for input. If anyone has not weighed in by this point, it cannot be said they did not have the opportunity.

The Advisory Group's May 31st report provided the results from the public hearings and listening to the citizens regarding the COPA, which, as Chairman Gary Mayes noted, the 'public was engaged on this topic.' He went on to say that the Advisory Group 'methodically listened to public input crafting the Index through a transparent process and to neither oppose nor endorse the proposed merger.' The June 7th meeting you convened provided the final opportunity for input during the application phase, where you noted another 120 days would be provided for input into that aspect of the COPA.

We hasten to note that the recommended Index certainly achieved the desired result of ensuring local input, and more than addressed the charge you gave the Advisory Group. They synthesized the hours of hearings and pages of transcripts into a very salient document for use in the merger. We also recognize that the Index recommendations are merely recommendations, and that you will balance these recommendations against both what you gather from Wellmont and Mountain States as well as what you determine is practical for the region.

Commissioner Dreyzehner, the Bristol, Kingsport, and Johnson City-Jonesborough-Washington County Chambers attended several of those hearings, as well as presented our respective chambers' support for the merger. Too, we expressed that support in a joint letter published locally in the media on May 6th, 2015; attached. As we are now approaching August, and having heard all of the input from the public meetings, from our members, and from our observations of the submitted materials for the state to consider, we are prepared to again reiterate our strong support for the merger, and will add to it our strong wish that the process advance to permit the merger transaction to be completed as rapidly as possible.

Our conversations with Wellmont Health System and Mountain States Health Alliance indicate they have been responding to ongoing detailed requests from the Department for amendments, additional information and clarifications. We appreciate the detailed work being done by the state, and we have been assured by Wellmont and Mountain States that diligence on the part of the state is important. We thank you for that. We also believe the conclusion of this merger is vitally important to our region, and we ask that your Department and the two health systems work more assertively to bring the merger to closure as rapidly as possible.

We understand the Department has not deemed the application complete. While we do not know what the definition of "complete" is, we do believe the plain language of the application makes clear that the benefits of the merger, along with the commitments made by what will be the new health system, outweigh the disadvantages. Our members have seen this information and support the model. They believe the evidence shows that if either or both health systems were to merge with other entities, it will likely lead to higher pricing and significantly more loss of local jobs. Conversely, with the merger, we believe there are enforceable protections to restrain the cost growth of health care. In fact, we have been unable to find any cases where states or the federal government have cited higher pricing as a consequence of a COPA-regulated merger, nor can we find where any regulatory action has been taken against another hospital system for acting in a manner harmful to consumers and which has merged under the regulatory structure of a COPA. We have, however, found evidence of higher pricing related to non-regulated mergers and out-of-market acquisitions of systems like Wellmont and Mountain States. Thus, from the perspective of those who are paying a large portion of the bills, and whom are the most affected by the

discussion about pricing, we believe the COPA model is superior in its controls on cost growth and ensuring the synergies from the consolidation remain in our communities.

On behalf of our members, we respectfully encourage your department to work with the two health systems to bring the merger to a conclusion rapidly. As it stands, the merger may not be complete until 2017. We are concerned by this timetable and believe with diligence, the process may be accelerated.

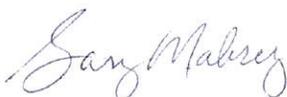
There has been enormous opportunity for public input, and we believe the precedent for this type of merger has been established multiple times. In reviewing the information considered by the states in approving previous cooperative agreements and COPAs, we believe the information provided by Wellmont and Mountain States far exceeds anything on record.

We look forward to conclusion of this process, and to the benefits which will accrue to the region by avoiding the alternatives to the merger, and from some of the investments committed to by Wellmont and Mountain States which may only be possible with the synergies from the merger. This merger is an innovative way for the state to have a partner in addressing many of the priorities of the state and region, and we remain committed to success in those endeavors.

Thank you for the hard work of your department on this and the many ways in which you serve the citizens of Tennessee and our region. We remain grateful.



Beth D. Rhinehart  
President & CEO  
Bristol Chamber of Commerce



Gary Mabrey  
President/CEO  
Johnson City/Jonesborough/  
Washington Chamber of Commerce



Miles Burdine  
President/CEO  
Kingsport Chamber of Commerce



May 6, 2015

The Chambers of Commerce of Kingsport, Bristol and Johnson City/Jonesborough/Washington County endorse the proposed merger of Wellmont Health System and Mountain States Health System to an integrated single system. We believe this offers the best opportunity for the betterment of our region's healthcare.

Each Chamber board met with the individual health systems while Wellmont was pursuing three alternatives. The business community has been all too aware of the extraordinary challenges facing healthcare from delivery, outcome, and cost.

The business community has scrutinized the proposed merger and believes the merger of two local systems into one will enhance the health of the people who live here and will generate economic growth to the region. Each of the two systems brings assets and strengths that complement the other. Those combined and complementary strengths will be a formidable force against their financial headwinds.

All indications are that investments from repurposing, prioritizing, and research will be made to expand and improve services. Frankly, a significant and comprehensive health care system is an asset to retain and recruit business.

We are aware this is not a "done deal." Like any large merger, there are requirements from the government to ensure that the transaction will comply with the laws. Both health systems will have to remain separate until the states of Tennessee and Virginia approve the merger.

In the meantime, planning the integration of two distinct healthcare systems will take time, some give and take over governance, and finesse. Wise administrators must produce an effective business plan and physician involvement is crucial to ensure integration never compromises patient services. A strong partnership with East Tennessee State University and the Quillen College of Medicine and Gatton College of Pharmacy will ensure a robust pipeline for new physicians and research opportunities.

The Chambers were concerned that there would have to be a major culture shift now that two former fierce competitors are on the same team. After discussions following the announcement, that concern has faded and both parties have worked together to develop the initial merger concept. No one is

looking in the rear view mirror - the focus is "becoming better together." Sometimes living in close-knit communities where relationships matter says it all.

It is a merger of two local systems. There isn't a take over from outside. We know the decision makers. They live and work here. They are our friends and neighbors. They, too, get their healthcare here. This isn't them; it's us.

From a business and community perspective, we greatly appreciate the tremendous amount of time, attention and analysis that went into making this extremely critical decision. We are so fortunate both systems have such compassionate and dedicated doctors, nurses, volunteers and staff and we remain encouraged they will now be one, unified and focused team.

With trust comes responsibility. The Chambers believe that both Mountain States and Wellmont understand this and with great care have come to the decision to merge. We wish them Godspeed.



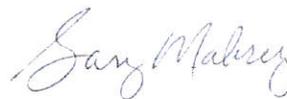
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