

March 25, 2020

The Honorable Norman Oliver, MD, MA  
State Health Commissioner  
Virginia Department of Health  
109 Governor Street  
Richmond, VA 23219

The Honorable Lisa Piercey, MD, MBA, FAAP  
Commissioner  
Tennessee Department of Health  
710 James Robertson Parkway  
Nashville, TN 37243

Re: Notification of Force Majeure Event resulting in a Material Adverse Event

Dear Commissioners:

We are writing pursuant to the Tennessee Terms of Certification ("TOC") and the Virginia Cooperative Agreement ("CA") to provide notice under Article 1 of the TOC related to occurrence of a Force Majeure Event and a resulting Material Adverse Event; and under condition 17 of the CA relating to the occurrence of a Material Adverse Event.

The COVID-19 Pandemic has become an all-encompassing event in terms of human capital and financial impact, and certainly Ballad Health is no exception. The effects of the Pandemic are well-documented, and Ballad Health has already experienced significant adverse effects as a result of the Pandemic, which effects are expected to be ongoing. Ballad believes this Pandemic qualifies as a material adverse event, under both the TOC and the CA. We, in our capacities as the Chief Executive Officer and Chief Financial Officer of Ballad, respectively, certify that the foregoing notice is true and correct in all material aspects to the best of our knowledge after due inquiry.

The manifestation of issues related to the Pandemic implicates Section 8.02 of the TOC and Condition 49 of the CA.

Thank you for what you and your departments are doing to help our respective states respond to the Pandemic. Extraordinary circumstances such as those you are facing are a burden few people can understand. To say we are grateful for your leadership would be an understatement. We are blessed both of you are in the positions you are in at this time in history. We look forward to doing all we can collectively do to get through this current challenge, and to engaging with you at the appropriate time to discuss the implications of this event and its implications for the TOC and CA.

God Bless you both.

Sincerely,



Alan Levine  
Chairman & CEO



Lynn Krutak  
Chief Financial Officer

cc: Herbert H. Slatery III  
Tennessee Attorney General

Janet M. Kleinfelter  
Deputy Attorney General

Jeff Ockerman, Director, Division of Health Planning  
Tennessee Department of Health

Erik Bodin, Director, Office of Licensure and Certification  
Virginia Department of Health

Allyson Tysinger  
Virginia Senior Assistant Attorney General

Dennis Barry  
Southwest Virginia Health Authority

Larry Fitzgerald  
Tennessee COPA Monitor

Kevin Meyer  
COPA Analyst, Virginia Department of Health

Tim Belisle  
EVP & General Counsel, Ballad Health

Karen Guske  
SVP Ballad Health, COPA Compliance Officer

Richard Cowart  
Baker Donelson