



COMMONWEALTH of VIRGINIA

Department of Health

P O BOX 2448

RICHMOND, VA 23218

Marissa J. Levine, MD, MPH, FAAFP
State Health Commissioner

TTY 7-1-1 OR
1-800-828-1120

March 14, 2017

Doug Gray, Executive Director
Virginia Association of Health Plans
1111 East Main Street, Suite 910
Richmond, Virginia 23219

Dear Mr. Gray:

This is in response to your recent letter expressing your continued opposition to, and interest in, the request for a letter authorizing a cooperative agreement between Mountain States Health Alliance and Wellmont Health System. I have copied Lindsay Berry of Anthem on this letter, in response to her recent similar inquiry. I appreciate your continued interest to provide input to the process.

As you note, Tennessee has not yet deemed the Tennessee application complete. In accordance with the decision issued on February 3, 2017 regarding the timeframe for a decision on the Virginia cooperative agreement application, the applicants and I have conferred regarding a further extension. In accordance with their request, and 12VAC5-221-90(B), I will render a decision on the application no later than August 15, 2017, provided that the Tennessee application has been deemed complete again by May 1, 2017, and that all information I deem necessary to my decision has been received. If the Tennessee application is not deemed complete by May 1, 2017, the applicants shall confer with me regarding a further extension to ensure that the review period for the Virginia application is aligned with that of the Tennessee application. Whether or not the Virginia Department of Health (VDH) makes a decision before or after Tennessee's decision will depend solely on whether or not VDH has a complete record, and the time required to evaluate that record.

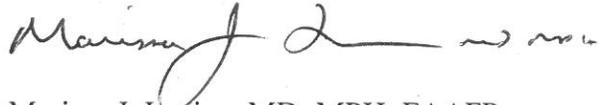
VDH is committed to a transparent process in the review of this request for a letter authorizing a cooperative agreement. As responses to information requests are completed, and as any requests for additional material become

Doug Gray, Executive Director
March 14, 2017
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available, the requests and non-proprietary responses will be uploaded to VDH's webpage at www.vdh.virginia.gov/licensure-and-certification/cooperative-agreement/.

Should you have questions or wish to provide additional material please contact Erik Bodin, Director of the Office of Licensure and Certification. Mr. Bodin can be reached by email at Erik.Bodin@VDH.Virginia.Gov or at (804) 367-2109.

Sincerely,

A handwritten signature in black ink, appearing to read "Marissa J. Levine". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Marissa J. Levine, MD, MPH, FAAFP
State Health Commissioner

cc: Lindsay Berry
Goldie Walker
Stephanie Wilkinson
Sarah Allen
Erik Bodin

From: [West, Catherine \(VDH\)](#) on behalf of [Levine, Marissa \(VDH\)](#)
To: [West, Catherine \(VDH\)](#)
Subject: FW: VAHP Letter regarding Cooperative Agreement Application
Date: Friday, March 31, 2017 3:02:49 PM
Attachments: [VAHP Letter to Commissioner Levine Re COPA Process 3-7-17.pdf](#)

From: Kyle Shreve [<mailto:kshreve@vahp.org>]
Sent: Tuesday, March 07, 2017 3:11 PM
To: Levine, Marissa (VDH)
Cc: Bodin, Erik (VDH); Goldie Walker (gwalker@ftc.gov); swilkinson@ftc.gov; Allen, Sarah O.; Douglas Gray
Subject: VAHP Letter regarding Cooperative Agreement Application

Hi Commissioner Levine,

Please see the attached letter regarding the Application for Cooperative Agreement between Mountain States Health Alliance and Wellmont Health System.

Thank you,

Kyle Shreve
Director of Policy
Virginia Association of Health Plans
1111 East Main Street, Suite 910
Richmond, VA 23219
(804) 648-8466 (p)
(814) 573-3775 (c)
kshreve@vahp.org



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March 7, 2017

Marissa Levine, M.D., MPH
State Health Commissioner
Virginia Department of Health
109 Governor Street
Richmond, VA 23219

Dear Commissioner Levine,

The Virginia Association of Health Plans (VAHP) would like to renew our opposition to the proposed Cooperative Agreement between Mountain States Health Alliance and Wellmont Health System and to ask for continued transparency during the review process. VAHP represents 10 insurance carriers operating in the Commonwealth, every sector of the payer marketplace in Southwest Virginia, which provides a wide range of offerings on behalf of both commercial and Medicaid Managed Care Organization (MCO) payers.

In the Department's statement of February 3, the Department granted the applicants' request for a delay to the final decision on the application. The new deadline was June 15, provided the Tennessee application was deemed complete on March 1, 2017. It is our understanding that Tennessee did not meet this condition by deeming the application complete. Given this development, do you have a new timeline for approval for the application? The original statute called for a 60-day review period, however, it did not speak to the amount of delays or making the decision contingent on Tennessee's application. VAHP would request clarification on the process going forward.

In addition, VAHP is requesting that the Department continue with the level of transparency it has shown thus far. We understand the Department sent a list of questions to the applicants in January requesting more information. We further realize that there is a parallel effort and negotiation continuing to taking place in Tennessee prior to that application being deemed complete. As VAHP continues to be an interested party, we remain concerned about any new information or changes to the application that may be made. We would request that any further request for information by the Department and subsequent response by the applicants be made public so that all interested parties may review the material.

Our members continue to oppose the proposed application for Cooperative Agreement. The commitments made by the applicants continue to be vague and lack critical information. The facility commitments continue to only last for five years, a short span in the life of the proposed Cooperative Agreement that could last for decades. The application continues to ignore the situation in Lee County, despite one of the stated goals of this Cooperative Agreement process has been to address the facility there.

VAHP renews our objection that a plan for "active supervision" by the Department is not in place to oversee the merged entity. There has been no discussion to date which staff will oversee the commitments or whether the Department has the adequate authority and resources to do so. Further, given the uncertainty and change likely coming from Washington, it is unclear whether any of the assumptions made will still be relevant under the new health care regime.

As we stated in our public comment, the applicants still claim there will not be "any" adverse effects from a lack of competition. There has been ample evidence submitted by both VAHP and the Federal Trade Commission that the merger will result in a decrease in competition to the detriment of the consumers of health care services in the region.

In closing, we appreciate your help in clarifying the next steps for the Cooperative Agreement and your continued transparency in the process. Our plan members continue to be opposed to the Cooperative Agreement and appreciate the opportunity to express our concerns with you and your staff.

Best regards,



Doug Gray
Executive Director
Virginia Association of Health Plans

Cc: Erik Bodin, Virginia Department of Health
Goldie Walker, Federal Trade Commission
Stephanie Wilkinson, Federal Trade Commission
Sarah Allen, Virginia Office of the Attorney General