



ATTACHMENT 1

Summary of Quality Indicators

Summary of Quality Indicators

This item was suspended during the reporting period, however Ballad wishes to provide the following quality target and monitoring measures during the suspension period for the Department’s visibility and information.

Report summary: This report provides a summary of performance for quality indicators submitted via the Ballad Health Quality Metrics Scorecard as of fiscal year end June 30, 2021. Metrics include the COPA target measures and the COPA monitoring measures. Fiscal Year performance compared to the established baseline of Hospital Compare, posted in July 2017. Quality Target Measures were met with significant challenges due to the onset of COVID 19. In addition to exceedingly high numbers of COVID admissions, the system struggled with diminished supplies and staffing which impacted our quality outcomes.

- Ballad Health met 59% (10/17) of the target measures at or above baseline.
- Opportunities for improvement include Postoperative Acute Kidney Injury Requiring Dialysis, Postoperative Sepsis Rate, CLABSI, CAUTI, SSI Colon, MRSA, and Sepsis Management Bundle

An executive summary reflecting Ballad Health as well as facility-specific Quality Target and Priority measures are posted to the Ballad Health internet site on a quarterly basis to allow public access to our quality data results. The link for public access is www.BalladHealth.org, under “About Us”.

Target Measures:

Desired Performance	Quality Target Measures	Baseline	FY21
↓	Pressure Ulcer Rate	0.29	0.24
↓	Iatrogenic Pneumothorax Rate	0.38	0.21
↓	In Hospital Fall with Hip Fracture Rate	0.10	0.08
↓	PSI 9 Perioperative Hemorrhage or Hematoma Rate	4.20	2.24
↓	PSI 10 Postoperative Acute Kidney Injury Requiring Dialysis Rate	1.02	2.23
↓	PSI 11 Postoperative Respiratory Failure Rate	14.40	7.86
↓	PSI 12 Perioperative Pulmonary Embolism or Deep Vein Thrombosis Rate	5.35	4.18
↓	PSI 13 Postoperative Sepsis Rate	6.16	6.57
↓	PSI 14 Postoperative Wound Dehiscence Rate	2.20	1.14
↓	PSI 15 Unrecognized Abdominopelvic Accidental Puncture/Laceration Rate	0.90	0.45
↓	CLABSI	0.774	1.058
↓	CAUTI	0.613	0.785
↓	SSI COLON Surgical Site Infection	1.166	2.210

Desired Performance	Quality Target Measures	Baseline	FY21
↓	SSI HYST Surgical Site Infection	0.996	0.731
↓	MRSA	0.040	0.096
↓	CDIFF	0.585	0.182
↑	SMB: Sepsis Management Bundle	62.8%*	52.9%

Monitoring Measures

Desired Performance	Quality Monitoring Measures	Baseline	FY21
↑	HCOMP1A P Patients who reported that their nurses “Always” communicated well	82.8%	79.1%
↓	HCOMP1U P Patients who reported that their nurses “Usually” communicated well	13.6%	14.0%
↓	HCOMP1 SNP Patients who reported that their nurses “Sometimes” or “Never” communicated well	3.6%	6.9%
↑	HCOMP2A P Patients who reported that their doctors “Always” communicated well	84.1%	80.1%
↓	HCOMP2U P Patients who reported that their doctors “Usually” communicated well	11.9%	11.0%
↓	HCOMP2 SNP Patients who reported that their doctors “Sometimes” or “Never” communicated well	3.9%	8.9%
↑	HCOMP3A P Patients who reported that they “Always” received help as soon as they wanted	72.8%	66.9%
↓	HCOMP3U P Patients who reported that they “Usually” received help as soon as they wanted	20.6%	19.0%
↓	HCOMP3 SNP Patients who reported that they “Sometimes” or “Never” received help as soon as they wanted	6.6%	14.1%
↑	HCOMP4A P Patients who reported that their pain was “Always” well controlled - Suspended	74.1%	--
↓	HCOMP4U P Patients who reported that their pain was “Usually” well controlled - Suspended	19.6%	--
↓	HCOMP4 SNP Patients who reported that their pain was “Sometimes” or “Never” well controlled - Suspended	6.3%	--
↑	HCOMP5A P Patients who reported that staff “Always” explained about medicines before giving it to them	68.1%	67.7%
↓	HCOMP5U P Patients who reported that staff “Usually” explained about medicines before giving it to them	15.9%	14.6%
↓	HCOMP5 SNP Patients who reported that staff “Sometimes” or “Never” explained about medicines before giving it to them	16.0%	17.6%
↑	HCOMP6Y P Patients who reported that YES, they were given information about what to do during their recovery at home	87.2%	85.6%

Desired Performance	Quality Monitoring Measures	Baseline	FY21
↓	HCOMP6N P Patients who reported that NO, they were not given information about what to do during their recovery at home	12.8%	14.4%
↑	HCOMP7SA Patients who “Strongly Agree” they understood their care when they left the hospital	54.5%	49.0%
↓	HCOMP7A Patients who “Agree” they understood their care when they left the hospital	40.8%	43.5%
↓	HCOMP7D SD Patients who “Disagree” or “Strongly Disagree” they understood their care when they left the hospital	4.8%	7.5%
↑	HCLEAN HSPAP Patients who reported that their room and bathroom were “Always” clean	73.9%	75.3%
↓	HCLEAN HSPUP Patients who reported that their room and bathroom were “Usually” clean	17.2%	13.8%
↓	HCLEANHSP SNP Patients who reported that their room and bathroom were “Sometimes” or “Never” clean	8.9%	10.8%
↑	HQUIETHSP AP Patients who reported that the area around their room was “Always” quiet at night	66.5%	63.5%
↓	HQUIETHSP UP Patients who reported that the area around their room was “Usually” quiet at night	26.9%	23.6%
↓	HQUIETHSP SNP Patients who reported that the area around their room was “Sometimes” or “Never” quiet at night	6.6%	12.9%
↓	HHSP RATING06 Patients who gave their hospital a rating of 6 or lower on a scale from 0 (lowest) to 10 (highest)	7.8%	13.4%
↓	HHSP RATING78 Patients who gave their hospital a rating of 7 or 8 on a scale from 0 (lowest) to 10 (highest)	18.9%	16.9%
↑	HHSP RATING910 Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	73.3%	69.7%
↑	HRECMND DY Patients who reported YES, they would definitely recommend the hospital	73.7%	66.4%

Desired Performance	Quality Monitoring Measures	Baseline	FY21
↓	HRECMND PY Patients who reported YES, they would probably recommend the hospital	21.5%	22.9%
↓	HRECMND DN Patients who reported NO, they would probably not or definitely not recommend the hospital	4.8%	10.7%
↑	OP29 Avg Risk Polyp Surveillance	76.1%	96.9%
↑	OP30 High risk Polyp Surveillance -- RETIRED	77.7%	--
↓	OP3b Median Time to Transfer AMI --- RETIRED	47.5	--
↓	OP5 Median Time to ECG AMI and Chest Pain RETIRED	5.22	--
↑	OP4 Aspirin at Arrival AMI Chest Pain -- RETIRED	0.97	--
↓	Median Time from ED Arrival to Transport for Admitted Patients (ED1)	227.3	365.9
↓	ED2b ED Decision to Transport	69.0	161.3
↓	Median Time from ED Arrival to Departure for Outpatients (18b)	124.5	151.9
↓	OP20 Door to Diagnostic Evaluation RETIRED	15.09	--
↓	OP21 Time to pain medication for long bone fractures RETIRED	37.84	--
↓	OP22 Left without being seen	0.9%	1.6%
↑	OP23 Head CT stroke patients	84.7%	69.6%
↑	IMM3OP27 FACADHPCT HCW Influenza Vaccination - SEASONAL	97.0%	98.0%
↓	VTE6 HAC VTE	0.02	--
↓	PC01 Elective Delivery	0.56%	2.17%
↓	Hip and Knee Complications	0.029	0.000
↓	PSI4SURG COMP Death rate among surgical patients with serious treatable complications	140.6	182.3
↓	PSI90 Complications / patient safety for selected indicators	0.83	0.95
↓	READM30 AMI Acute myocardial infarction (AMI) 30day readmission rate	12.9%	13.6%
↓	READM30 CABG Coronary artery bypass graft (CABG) surgery 30day readmission rate	8.9%	10.6%
↓	READM30 COPD Chronic obstructive pulmonary disease 30day readmission rate	18.2%	21.2%
↓	READM30 HIPKNEE 30day readmission rate following elective THA / TKA	3.8%	4.9%

Desired Performance	Quality Monitoring Measures	Baseline	FY21
↓	READM30 HOSPWIDE 30day hospital wide all cause unplanned readmission	12.0%	14.7%
↓	READM30 STK Stroke 30day readmission rate	9.0%	11.5%
↓	READM30HF Heart Failure 30Day readmissions rate	20.5%	24.5%
↓	READM30PN Pneumonia 30day readmission rate	17.7%	18.5%
↓	MORT30 CABG Coronary artery bypass graft surgery 30day mortality rate	2.0%	2.9%
↓	MORT30 COPD 30day mortality rate COPD patients	1.8%	3.3%
↓	MORT30AMI Acute myocardial infarction (AMI) 30day mortality rate	4.7%	6.2%
↓	MORT30HF Heart failure 30day mortality rate	3.9%	4.1%
↓	MORT30PN Pneumonia 30day mortality rate	4.7%	8.0%
↓	MORT30STK Stroke 30day mortality rate	8.2%	6.9%



ATTACHMENT 2

Comparison of Financial Ratios

**Statement of Revenue and Expense
For the Month Ended June 30, 2021**

	FY21 Total
Patient Revenue	
Inpatient	4,105,672,397
Outpatient	5,778,684,954
Total Patient Revenue	9,884,357,351
Deductions From Revenue	
Revenue Deductions	7,436,229,060
Charity	180,700,287
Uninsured Discounts	266,820,856
Total Deductions	7,883,750,202
Net Patient Revenue	2,000,607,149
Other Operating Revenue	189,983,063
Hospital Support Revenue	(339)
Total Operating Revenue	2,190,589,872
Operating Expense	
Salaries & Wages	621,591,369
Provider Salaries	180,706,871
Contract Labor - Providers	24,163,817
Contract Labor - Other	61,746,922
Team Member Benefits	131,805,754
Professional Fees	318,053,207
Drugs & Supplies	434,280,607
Other Expense	183,325,111
Depreciation & Amortization	165,160,776
Interest & Taxes	41,014,311
Total Operating Expense	2,161,848,744
Net Operating Income before Support Allocation	28,741,128
Support Allocation - Labor Expense	0
Support Allocation - Other	0
Net Operating Income after Support Allocation	28,741,128

Net Investment Income	27,489,772
Realized Gain on Investments	32,344,694
Gain / (Loss) from Affiliates	1,291,031
Gain / (Loss) on Discontinued Operations & Disposal	1,627,752
Loss on Extinguishment of LTD / Derivatives	0
Minority Interest	(42,231,442)
Other Non Operating Income / (Expense)	(25,646,321)
Total Non Operating Income / (Expense)	(5,124,514)
Total Revenue Over Expense Before CFV of Derivatives	23,616,614
Change in Fair Value of Interest Rate Swaps	4,145,652
Total Excess Revenue Over Expense	27,762,266
Net Unrealized Gain / (Loss) on Investments	200,278,804
Increase in Unrestricted Net Assets	228,041,070
EBITDA (Operations)	234,916,215
EBITDA (Operations) as % of Net Patient Revenue	11.7%
Operating Margin	1.3%
EBITDA	229,791,701
EBITDA as % of Net Patient Revenue	11.5%
Total Margin	1.1%

**Key Operating Indicators
For the Period Ended June 30, 2021**

	FY21 Total
Operating Statistics	
Average Daily Census (Hospitals)	1,162
Occupancy Percent (Hospitals)	45.8%
Patient Days (Hospitals)	423,976
Discharges (Hospitals)	89,352
Observation Visits	23,766
Observation Visits (excl OB)	22,618
Acute Discharges and Observation Visits (excl OB)	105,373
Obs Visits (excl OB) % of Obs Visits (excl OB) & Acute Disch	21.5%
Observation (excl OB) % of Occupancy	0.3%
Outpatient Visits	2,989,413
Telehealth Visits	58,855
Urgent Care Visits	186,967
Emergency Department Visits	335,906
Surgery Cases - Inpatient	16,537
Surgery Cases - Outpatient	31,467
Surgery Cases - ASC	2,255
Revenue by Source	
Medicare	23.3%
Managed Medicare	32.0%
Medicaid/TennCare	14.4%
Managed Care	20.9%
Self Pay	5.5%
Other	3.9%
Labor Management	
Employed Full Time Equivalents	10,254
Contract Full Time Equivalents	347
Total Full Time Equivalents (excl Providers)	10,601
Employed Provider Full Time Equivalents	765
Contract Provider Full Time Equivalents	44
Total Provider Full Time Equivalents	809
Full Time Equivalents	11,411
Average Hourly Rate (excl Providers & Cont Lbr)	\$29.06
Salary Expense per FTE (excl Providers & Cont Lbr)	\$60,621
Patient Resource Management	
Overall Medicare Average Length of Stay	4.82
Overall Average Length of Stay	4.75
Acute Medicare Average Length of Stay - Acuity Adjusted	2.67
Acute Overall Average Length of Stay - Acuity Adjusted	2.70
Observation Average Length of Stay	1.25
Acute Medicare Case Mix Index	1.72
Acute Overall Case Mix Index	1.68

Balance Sheet

For the Period Ended June 30, 2021

June 30 2021

ASSETS

Current Assets

Cash and Cash Equivalents	412,413,599
Board Designated Funds COPA	238,825
Board Designated Funds Cooperative Agreement	8,486,483
Current Portion AWUIL	13,701,088
Accounts Receivable (Net)	232,384,328
Other Receivables	68,152,574
Due From Affiliates	1,552
Due From Third Party Payors	(0)
Inventories	55,386,086
Prepaid Expense	14,690,052
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	805,454,586
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Assets Whose Use is Limited

85,457,559

Other Investments

1,498,853,771

Property, Plant, and Equipment

Land, Buildings, and Equipment	3,348,451,968
Less Allowances for Depreciation	(2,133,523,565)
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	1,214,928,402
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Other Assets

Pledges Receivable	1,039,309
Long Term Compensation Investment	35,150,998
Investments in Unconsolidated Subsidiaries	19,088,234
Assets Held for Resale / Expansion	17,297,532
Investments in Subsidiaries	(0)
Goodwill	206,027,773
Deferred Charges and Other	38,452,932
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	317,056,778
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TOTAL ASSETS

3,921,751,097

LIABILITIES AND NET ASSETS**Current Liabilities**

Accounts Payable and Accrued Expense	213,296,180
Accrued Salaries, Benefits, and PTO	134,996,318
Accrued Interest	20,134,462
Due to Affiliates	0
Due to Third Party Payors	148,984,432
Current Portion of Long Term Debt	37,308,918
	<u>554,720,311</u>

Other Non-Current Liabilities

Long Term Compensation Payable	19,268,218
Long Term Debt	1,308,325,852
Estimated Fair Value of Interest Rate Swaps	729,895
Deferred Income	483,940
Professional Liability Self-Insurance and Other	127,056,950
	<u>1,455,864,855</u>

TOTAL LIABILITIES**2,010,585,166****Net Assets**

Restricted Net Assets	38,688,600
Unrestricted Net Assets	1,577,580,203
Noncontrolling Interests in Subsidiaries	294,897,127
	<u>1,911,165,931</u>

TOTAL LIABILITIES AND NET ASSETS**3,921,751,097**

Comparison of Ballad Health to the Median of Similarly Rated Health Systems

	2020 Fitch Median ¹	2020 S&P Median ²	2020 Moody's Median ³	FY21 Total
Profitability Ratios				
Total Margin ⁵	3.4%	2.4%	2.8%	1.1%
Operating Margin	0.9%	0.6%	0.1%	1.3%
EBITDA to Revenue	10.3%	8.0%	12.0%	10.5%
Liquidity Ratios⁷				
Current Ratio ⁶	N/A	N/A	1.5	1.5
Days in Patient A/R	45.9	43.2	42.9	42.4
Avg Payment Period ⁶	83.2	N/A	88.9	100.5
Total Days Cash on Hand	258.8	205.8	232.8	351.0
Capital Ratios⁷				
LT Debt to Capitalization ⁶	32.8%	44.7%	37.4%	40.9%
Cash Flow to Total Debt ^{5,6}	25.6%	N/A	27.0%	14.2%
Debt Service Coverage	3.4	2.4	3.8	4.3
Productivity Ratios				
FTEs per AOB	N/A	N/A	N/A	3.19
Labor Exp / Net Patient Rev	56.6%	68.3%	N/A	51.0%

Notes

¹ Source: Fitch - Median Ratios for Nonprofit Hospitals and Healthcare Systems (August 2021)

² Source: S&P - US Not-for-Profit Health Care System Median Ratios (August 2021)

³ Source: Moody's - Not-for-Profit Hospital Medians (September 2021)

⁵ Excludes Loss on Extinguishment of LTD

⁶ Norton Community Hospital and Johnston Memorial Hospital Debt is excluded

⁷ Liquidity and Capital Ratios use a rolling 12 for income statement components

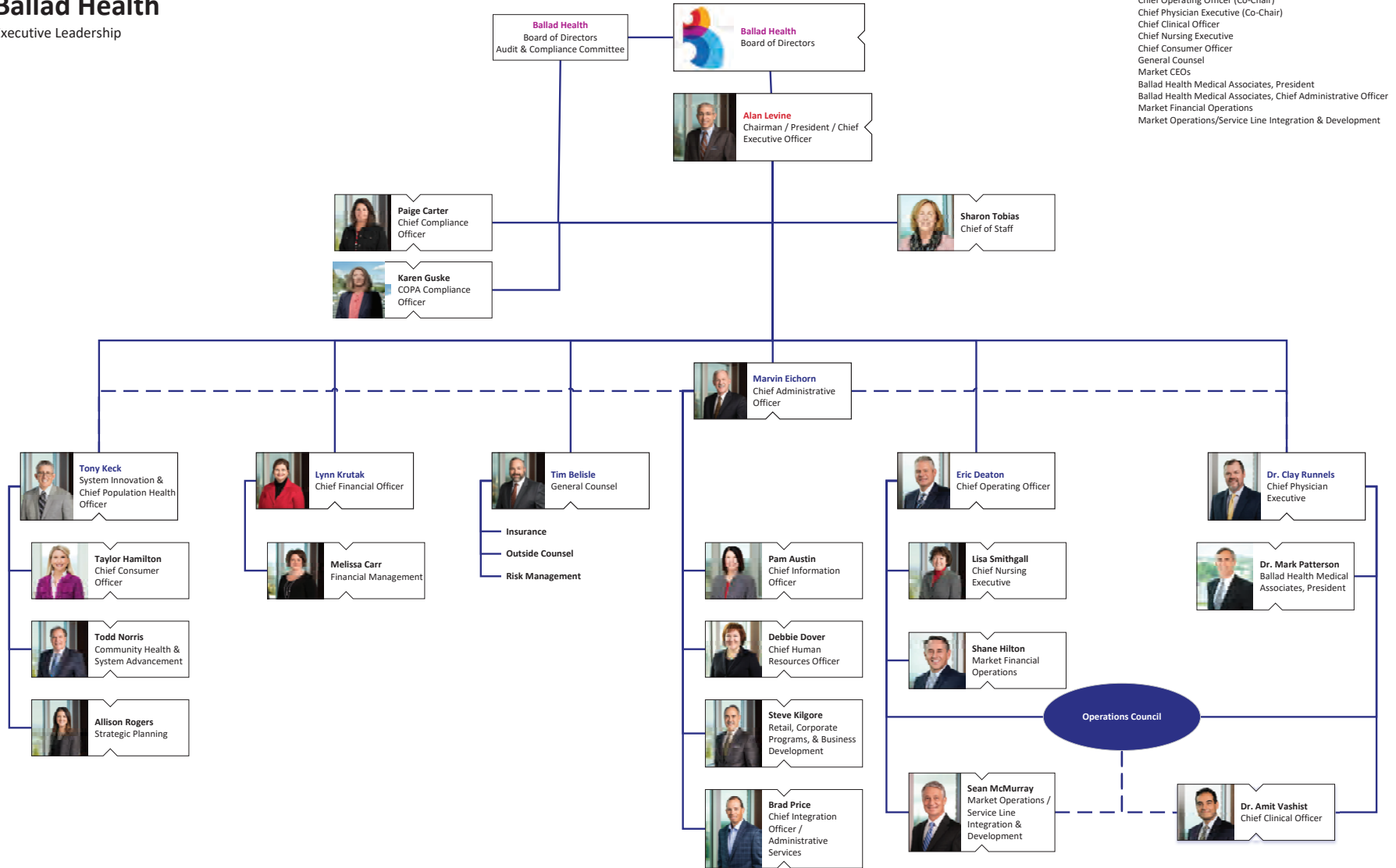


ATTACHMENT 3

Ballad Organizational Chart

Ballad Health

Executive Leadership



Operations Council
 Chief Operating Officer (Co-Chair)
 Chief Physician Executive (Co-Chair)
 Chief Clinical Officer
 Chief Nursing Executive
 Chief Consumer Officer
 General Counsel
 Market CEOs
 Ballad Health Medical Associates, President
 Ballad Health Medical Associates, Chief Administrative Officer
 Market Financial Operations
 Market Operations/Service Line Integration & Development