Business Journal

of Tri-Cities Tennessee / Virginia

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Northeast State gets real

New president James King cutting costs at cash-strapped college

Plus:

Tsubaki Nakashima buys NN Inc., heritage assets

James King at Northeast State.
Photo by Scott Robertson

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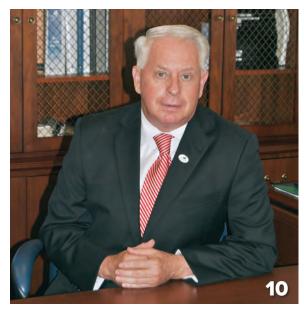
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KINGSPORT 100

Celebrating the Kingsport Spirit > 2017

KINGSPORT 100, WIRT TAYLOR 50

The central notice which the Kingsport The central notion around 100 celebration is built is "The Kingsport Spirit." J. Fred Johnson defined that spirit in the foreword to the book, "Kingsport, Tennessee: City of Industries, Schools, Churches, Homes" published by the Rotary Club of Kingsport in 1937.

"Were I to undertake to define the spirit underlying every step in the growth and development of Kingsport, from the days of its humblest beginnings until now, I could not avoid the assertion that the spirit, if it be a spirit, is one of mutual helpfulness and a willingness to submerge selfish

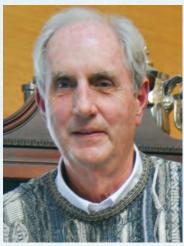


J. Fred Johnson

interests beneath the individual effort to assure the greater good

for the greater number," Johnson wrote. "Rotary has a slogan:

Wirt Taylor



'Service above Self - he profits most who serves best.' Without attempting to eulogize, it is my firm conviction that those words truly epitomize what may be said to be the spirit of Kingsport." In the Awards & Achievements section of this issue. we note the dedication of Wirt Taylor, a Kingsport native and lifelong citizen who recently celebrated 50 years of perfect attendance in that same Kingsport Rotary Club to which J. Fred Johnson belonged. Taylor is a businessman and a gentleman who has served his

city as a Rotarian for fully half the city's history. This month The Business Journal salutes Taylor, the Rotary Club of Kingsport and all Rotarians for their spirit of Service Above Self.



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From our family to yours, thank you.



Are there rising stars in your company? Overachievers who are under 40?

Now is the time to give them the recognition they deserve.





You can be a part of the recognition process by nominating a young businessperson who excels both professionally and in service to his or her community. It's never been easier to make your 40 Under Forty nominations. Just visit **40under.com** and follow the instructions.

All 40 Under Forty nomination materials are due no

later than August 18, 2017. Nominees must be 39 or younger as of October 6, 2017. Visit **40under.com** for complete nomination rules and requirements.

The 25th Annual 40 Under Forty Gala will be held at the Millennium Centre in Johnson City on Friday, October 6. Call 423.979.1300 for more information.

Honorees attend at no charge.

Thank you to our partners















25th Annual Gala | Friday, October 6 | Millennium Centre | Johnson City, TN

40 Under Forty honorees will be featured in the December issue of *The Business Journal*. Deadline for nominations is August 18, 2017. Nominate online at *40Under.com*





The press release says it happened in Elizabethton, but don't be fooled. Governor Bill Haslam didn't go to Elizabethton last month to celebrate the passage of the IMPROVE Act and its one-cent-per-dollar drop in grocery taxes. If you wanted to shake the governor's hand at that event, you drove out Highway 91 from Elizabethton a ways past the Hinkle Branch Trailhead up Stoney Creek.

That's how you find Fletcher's Store. There's no sign out front to let you know you've arrived. People just know that the old river stone building with the bright red awning is open for business, as it has been for 94 years.

Mr. A.D. Fletcher opened the store, which became the center of commerce for the Stoney Creek community, in 1923. He passed it along to his son, who goes by "Sonny."

Sonny smiles a lot. That's one of the first things that strikes you when you arrive. Another is the three pictures on the wall behind the counter. The one on the left is A.D. Fletcher. The one on the right is John Fletcher, who's ready to take over when Sonny retires. They flank smiling Sonny.

A decades old filing system with individuals' names and receipts sits behind the counter, off to one side and out of sight. Old timers will recognize the system for allowing regular customers to buy on credit. Not plastic credit, just "word is bond" credit.

Sonny is protective of the business his family built and of the people in it. Within easy reach of the cashier is the kind of state-of-the-art security system one might expect in a near-century-old building. It won't send a text alert or call the cops if a bad guy shows up, but if someone were to decide to try to rob Fletcher's

Store, it would ruin their whole day.

A security team had run a sweep of the store the day before the governor's appearance. If they saw the "security system," they decided not to say anything about it. After all, the Fletchers are, as Sonny says, "Republicans' Republicans." Sonny Fletcher represents a threat to Bill Haslam's safety in the same way Fletcher's Store represents a threat to Pilot/Flying J Travel Centers' market share.

That, one suspects, is why Haslam chose Fletcher's store for his IMPROVE Act victory lap. By travelling from Nashville, which has just south of 300 grocery stores, to a community of fewer than 2,000 people, and by using a tiny country store as a backdrop, Haslam pointedly told rural Tennesseans, "this tax cut's for you."

As he prepared to leave, the governor appeared to realize he really should buy something. So he brought to the counter a 69-cent packet of cheese and crackers. Sonny had suggested the governor try one of the hot dogs — "the best in the county" — but the governor declined. Sonny's smile never wavered. He offered the crackers to the governor free of charge, but Haslam said, "Ahhh, I'd better pay."

So the governor, whom Forbes says has a personal net worth of \$2.6 billion, handed over a fiver and took his change. The tax cut saved him almost a penny.

Yet in buying that small item, Haslam made his point better than he had in his public remarks a few minutes prior. This tax cut isn't for Whole Foods customers in Nashville. It's for the people like the ones whose names can be found behind the counter at Fletcher's Store in Stoney Creek.

Besides, the flight back to Nashville took less than an hour.

Scott LAL

Tri-Cities home prices hit nine-year high



Eric Kistner

Average home sale prices for June and the first half of 2017 hit nineyear highs while the lack of inventory had sales struggling to match last year's levels.

Northeast Tennessee Association of Realtors (NETAR) President Eric Kistner said demand remains high, but sales are bucking an availability headwind. "In June, we had 4.5 months of inventory," he said. Six months inventory is considered normal market conditions, "but 10 to

11 months have traditionally been the local norm."

NETAR's July Trends report lists 630 closings in the 11-county region it monitors. It was the third straight month closings have trailed last year's performance. Mid-year data show sales remain at record levels – but just barely. So far, this year there were 2,985 closings on single-family homes. That's 69 more than last year's

record performance and the highest mid-year mark since 2008 when NETAR began tracking the market with the Trends Report.

June's average sales price was \$179,691, up \$14,184 from June last year. It was the highest monthly average since 2008 and the 10th straight month of year-over-year increases. The mid-year average was \$165,832, up 5.1 percent from the first six months of last year. June's mid-year price average was the highest since 2008.

June was also a banner month for condominium sales closings. According to the Trends Report, there were 68 closing - the best month since 2012. During the first six months of this year, there were 295 condo closings. That's also the best first half of a year since 2013.

June's average condo sales price was \$122,577, down \$136 from June last year. But, the mid-year average was \$127,551. That's the best first half of the year average since 2013. Kistner said the sales at the lower end of the market during the past two years took a big bite out of the inventory that isn't being replenished at normal rates. "This is especially true in the \$200,000 and below price range." Listings in that range accounted for 80 percent of the inventory when sales began their record run mid-2015. It was 58 percent last month. Investors and consumers have been equally aggressive in snapping up homes priced under \$200,000, which is crimping the inventory often targeted by first-time buyers.

"Pending sales are strong, but are not moving to closing as fast as normal due to an increasing number of conditional contracts," Kistner said. "There were about 1,220 sales under contract last month. Typically, a pending sale moves to closing in a month to six weeks, and it's normal for about 4 percent of those contracts to fall through.

The average home sold in June was on the market for 137 days, up from 133 in April. Average days on the market for condos were 134, down from 161 in May. Sullivan County is the market where homes are moving fastest – 112 days – according to Realtor Property Resource data.

Here's a capsule look at how city and county mid-year, single-family sales and average prices looked compared to the first six months of last year.

CITY MARKETS:

Johnson City: Sales- 381, down 7.7 percent.
Average price \$230,389, up 7.5 percent.
Kingsport: Sales - 339, up 9 percent.
Average price \$170,394, up 13.9 percent.
Bristol, TN: Sales 144, up 9.1 percent.
Average price \$134,589, up 1.5 percent.
Bristol, VA: Sales 100, up 29.9 percent.
Average price \$107,499, up 2.5 percent.
Greeneville: Sales 86, down 5.5 percent.
Average price \$133,638, down 2.9 percent.
Erwin/Unicoi: Sales 83, down 5.7 percent.
Average price \$163,076, up 25.6 percent.
Elizabethton: 80, down 4.8 percent.
Average price \$124,711, up 6.1 percent.

COUNTY MARKETS:

Sullivan: 879 sales, up 8 percent. Average price \$161,490, up 5.6 percent. Washington TN: 793, down 4.8 percent. Average price \$209,815, up 5.4 percent. Greene: 302, down 0.3 percent. Average price \$147,773, up 4.3 percent. Hawkins: 257, up 4.5 percent. Average price \$141,452, up 23 percent. Carter: 251, up 13.6 percent. Average price \$134,785, up 6.9 percent. Washington VA: 217, up 2.4 percent. Average price \$170,692, up 0.9 percent. Wise: 75, down 17.6 percent. Average price \$103,212, up 1.5 percent. Scott: 63, up 50 percent. Average price, \$109,021, down 13.3 percent. Johnson: 51, down 8.9 percent. Average price \$110,916, down 17.6 percent. *Lee*: 16, up 45.5 percent. Average price \$77,965, down 27 percent.

NETAR counts city sales as those in the high school zone for each of the 11-county region it monitors. City sales and price data are included in the county totals.



The 2016 Class of 40 Under Forty. Photo by Tara Hodges, Sweet Snaps Photography.

NEWS BRIEFS

Deadline for 40 Under Forty nominations nears

Do you know a young businessperson who goes above and beyond the call of duty? A rising star in your company? A young achiever who is active in the community? A future community leader in business and community service? August 18 is the deadline to nominate that person for a spot in the 2017 class of 40 Under Forty, the annual celebration of young professionals in the Tri-Cities.

Nominations can be made online at 40under.com, or can be sent by mail to:

The Business Journal of Tri-Cities, TN/VA Attn: 40 Under Forty P.O. 5006 Johnson City, TN 37602

This year marks the 25th Anniversary of the program. The 1,000th member of the Tri-Cities 40 Under Forty class of alumni will be inducted. A black-tie-optional gala dinner will be held to honor the 2017 class at Millennium Centre, Friday, Oct 6. In addition, all honorees will be featured in the December 2017 issue of The Business Journal. The deadline for nominations for The Business Journal's 40 Under Forty class of 2017 is August 18.

40 Under Forty sponsor/partners for 2017 are: Wellmont Health System; Mountain States Health Alliance, the Milligan MBA; R.J. Young; Blackburn, Childers & Steagall CPAs, Kaplan CFO Solutions and Saratoga Technologies.

Cooper Standard expands Surgoinsville operations

Cooper Standard, a Michigan-based auto parts manufacturer, announced July 13 its plans to expand operations at its plant in Surgoinsville, Tenn. The company said it will make a capital investment of more than \$1 million in new equipment. Cooper Standard plans to create 98 new jobs in the expansion.

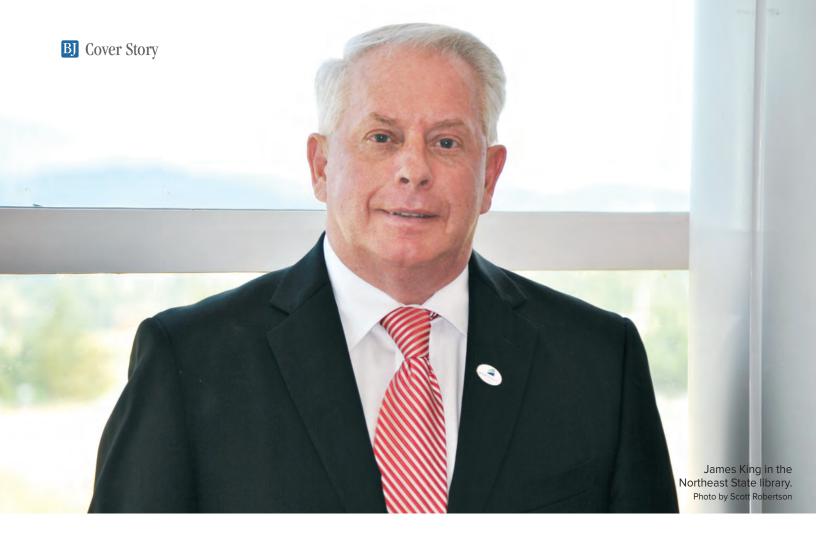
In a release from the Tennessee Department of Economic and Community Development, Governor Bill Haslam said, "The automotive sector continues to be a major source of job creation in Tennessee and I'm pleased Cooper Standard has decided to add new jobs in Surgoinsville. This expansion is great news for Hawkins County and brings us close to making Tennessee the No. 1 location in the Southeast for high quality jobs."

The Cooper Standard facility in Surgoinsville manufactures coolant tubes and hoses, as well as transmission, oil, fuel and brake fluid lines.

Meade Tractor breaks ground in Kingsport

Meade Tractor announced last month it will build a new corporate headquarters next to the Tri-Cities Crossing development site near the intersection of Interstates 81 and 26. The company has 18 other locations throughout Kentucky, North Carolina, Tennessee, Virginia and West Virginia.





The Business Journal Q&A

Northeast State president James King sets to rightsizing the cash-strapped college

By Scott Robertson

Northeast State Community College has been long on ambition since the arrival of now-former President Dr. Janice Gilliam in 2009, but has been increasingly short on cash. New satellite campuses have been opened in Bristol and Johnson City yet Northeast State has actually been losing students. Spending, until now, has gone unchecked. According to James King, Gilliam's successor as president, the college based its budgets on student population projections that were higher than the number of students who would actually attend, then took cash from reserves to fund the difference. Discrepancies noted in state audits were blamed on "bookkeeping errors." After the Tennessee Board of Regents replaced the college's chief financial officer with one of its own earlier this year, Gilliam was asked to resign.

The fallout is that Northeast State today finds itself making a \$5-plus million "budget realignment," including \$2.2 million in personnel reductions including 28 non-faculty full-time positions and 19 full- and part-time temporary positions. In addition, six

vacant full-time faculty positions will remain unfilled. Administrators have identified \$2.8 million in cuts to operating, travel and equipment budgets.

In addition, a \$30 million emerging technology building that was to have opened its doors last fall is on hold with only preliminary site work having been done. The college had told *The Business Journal* last fall it had almost completed the fundraising effort to provide the \$3.2 million it needed to match the state's \$26+ million investment. As of now, no funds exist to put toward that \$3.2 million.

King sat down with *The Business Journal* July 26 to discuss the college's long- and short-term plans to address the financial shortfall, how it plans to maintain the level of the educational experience while making cuts, its priorities in education and workforce development going forward, and how the business community can trust the college and the Board of Regents to do better in the future when it took a faculty revolt to get the TBR's attention in 2016.

What follows is an edited transcript of that conversation.

The Business Journal: A lot of people have been very supportive of Northeast State for many years under Dr. Gilliam and Dr. Bill Locke before her. The business community supported and supports the Regional Center for Advanced Manufacturing in Kingsport, for instance. But waking up one morning and reading that you have to cut \$5 million in one year's budget to get back where you need to be makes it hard for some to trust the system that got the college to this point, even with a new president. How did this get past Nashville and how do you answer questions of accountability?

James King: It's not a simple answer, but it actually ended up being a perfect storm of things happening right at the same time. There has been over-projection of enrollment pretty much for the last five years. Then when you don't reach that enrollment projection, you used reserve funds to balance the budget. So from the (Board of Regents') standpoint, it looks like, 'Alright, you didn't make projection, but you did balance the budget –'

The Business Journal: If I can interrupt real quick, who is responsible for making those projections?

66

It's time we right-

- James Kina

size the campus, and

that's what we are doing, a

right-sizing that's long overdue.

James King: Everything falls upon here, and at the end of the day, the president and staff. So that model was working so long as there were reserve funds. But the day reserve funds end is the day you have to tighten up the budget. By then, you had branched out into Johnson City and into Bristol. You had significant expenditures there, but on a new campus, you didn't increase enrollment. Those folks living in Johnson City who had been driving to Blountville just stayed in Johnson City. So you created a pretty significant campus with

all its operating expenses, but you brought in no new bodies and no new revenue. That's very similar to what happened in Bristol. Normally, you would have had reserve funds to cover that until the new campuses got on their feet. Here those funds were already depleted. So you had significant losses because you were in the hole on both those campuses the first couple of years. That just created a bigger hole.

There has also been a slight decrease in enrollment based on the economy improving. In manufacturing at Eastman, anybody who wants a job can get a job with the training. During the recession you had significant enrollment, but you never reduced staff levels once that ended and enrollment started back down. So that was the perfect storm. It all caught up at one time.

That's the basic answer. It's probably a little more complicated. You give the campus credit. When they equipped the Johnson City campus – when they equipped the music industry program at Bristol – they did it first class.

At the same time, you had this emerging technologies building coming on board and the match, this 10 percent match basically had no outside funds in it. All of a sudden you no longer have a match. So we're halting that building temporarily to right-size it.

There are a lot of people to point fingers at, but none of them are here today. The best way to define my role is, I'm coming in

as the solution. I'm summing this up the best way: it's time we right-size the campus, and that's what we're doing, a right-sizing that's been overdue.

The right size is down somewhere around \$5 million. If I renegotiate some of our leases and some things like that, that number will reduce. I'm working on that right now. In Bristol, Johnson City and Elizabethton we are paying too much for most of those buildings.

We have identified \$2.8 million to be culled from operating, travel, professional development, things like that. But when 75 percent of the budget is personnel-related, looking at things like travel is nickels and dimes. It sounds good, but you don't get any money. You don't save any money by cutting the staples budget. That's nickels and dimes too. But you have to look at everything. So what we're doing is turning over every rock.

Still, at the end of the day about \$2.2 million in staff reductions are going to occur. I can't tell you the number of people today, because the number of people depends on what levels of salaries you're cutting. It takes a lot of \$24,000-a-year people to reach \$2.2 million. It takes fewer \$50,000-\$100,000 people. That

figure takes into account salary and benefits, and the state benefit package is pretty nice, so you're looking at about 30 percent. That will include some attrition of positions where people have retired. We probably didn't have enough of those.

Then you have temporary positions as we restructure the scheduling of classes we will probably be using less adjunct. We'll not open up as many sections. Where maybe in the past it was shotgun sections, you'd put ten sections of the same class out there and offer a lot of choices. I got quoted in the Chronicle

of Higher Education one time about the TCAT system as saying, 'We're not like Burger King. You can't have it your way.' We're going to do a little more of saying, 'This is what you can take' instead of having classes out here that may have eight people in them. We have to make sure all our classes are full first. We're not saying we are going to overpack. We just want to make sure classes are full, and more will be taught by full-time faculty.

One example of something we've already done is student orientation. In the past we have brought teachers in during the summer and paid them to do orientation. We chose not to do that. I stepped up – verybody stepped up – volunteers. We got vice presidents, deans, people who have not done that in years, and we had a good time doing it. There was energy in the room. Everybody had a blast. Again, those are not great costs, but they are costs.

Another thing, as we look at off-campus sites, they have been staffed almost as stand-alone operating centers. That's not the norm. You use the folks on the main campus. You have the basic staff here. So we'll reduce those and operate like I think it needs to be operated.

The chancellor asked me, 'Can you operate the campus if you cut this many people?' We have strategically looked at every

SEE Q&A, 12

Q&A, CONTINUED

position. We have involved the deans, the vice presidents, and yes, we can do it. I don't think we'll miss a beat.

Getting back to your question, we are making it more accountable. I can tell you without a shadow of doubt that whether it's Eastman or Joe's Body Shop, they will not miss the services. The faculty will be the least impacted because they're the people that impact students. Business and industry programs – apprentice-ships – those will be the least impacted. We will take care of those.

I told the deans, if we take John Doe out of your department, it's your job to find ways to spread out everything John does or do it yourself. I think people will step up. You're not going to see students go without academic advising, students go without financial aid advising. We're going to maintain the same level of service to the students. I truly believe that. I said when I came here, if I couldn't add quality, I wouldn't be here. We're not going to do things halfway.

Again, back to accountability, yes, there were some mistakes made. But we are right-sizing this campus. The projections are going to be real. The budget management is going to be real. We have a new CFO. You have me as the new president, and there's going to be a different mindset. We're not going to take chances on not doing things the right way. I have a history of that, and I have brought that here. (As TCAT director) I am well-respected nationally for managing a system of 27 campuses without actually being on the campus. Now I am here every day. I think I can do the work.

The Business Journal: Let's talk about the number of campuses at Northeast State (there are six). You mentioned renegotiating the lease agreements on some of the campuses. Is it true that the lease agreement for the Bristol campus is with a property owner who is actually on the Foundation Board at Northeast State?

James King: (Pauses and nods his head in the affirmative)

The Business Journal: Pardon me for editorializing, but that doesn't seem like a best practice.

James King: It's probably not.

The Business Journal: That being the case, are any of the campuses likely to be just done away with?

James King: Possibly. Yeah, seriously. I mean, some aspects of this process are going to take place over a year. I can truthfully tell you that within a year we will have this thing stabilized. It's a bold statement, but I have no doubt. But we can't do some of those things today without impacting students. If I close something in January, those students will have from now till January to get ready to go to Blountville. Some of those sites we may look at based on the lease agreement. It could be this time next year, around July 1 when we do it. It is a possibility.

In actuality, let's go back to the Bristol site. There's nothing



James King

illegal about that. I mean, that was approved at all levels. I had nothing to do with it, but it was approved at all levels up the chain. It was looked at by legal. And there were a lot of renovations to that facility that were done by the owner. It's a nice facility. Now is it a facility that we will actually need in the future? That is what I have to determine. That's the same way with Gray. It's the same with Elizabethton and Johnson City.

Elizabethton has been there 20 years. It has always been in the black. I'm not saying I am happy with the rent. I think we pay too much for it considering we have been there 20 years. That will be looked at. But you have a campus that has been stable and has served that community for a long time. My question is, by now, why haven't we built our own facility there?

What's going on at Kingsport is amazing right now. You have a lot of shaking and moving going on. It has proven itself and its value...We're meeting a need (in workforce development) and we're not going to cut it off. No one understands marketable skills more than I do and the value of these campuses to business and industry. Eastman still has faith and we're going to be accountable. We're going to be more accountable than we have ever been.

The Business Journal: We talked briefly about the new emerging tech building project that doesn't have the matching funds we had been assured it had. It raises questions about Northeast State's ability to join partners in workforce development like Bell Helicopter and to play its role in Aerospace Park. Are we 365 days away from even considering moving forward with that building?

James King: First of all, one of my bosses, Parker Smith (Eastman VPGM, Worldwide Manufacturing Support & Global

Ouality) is on the Tennessee Board of Regents. Parker bends my ear every day about Bell Helicopter and about Aerospace Park. He's highly involved in that. I've assured him we are staving on track with that. The state allocated so much money, and part of that money was equipment in the building. The first thing the prior administration said was, 'Alright, we need a bigger building. So let's move the equipment out of the building and put it into another building.' Well now you have a building with no equipment in it. So are you going to build a bigger empty building?

We are going to right-size the building. There are two approaches I am going to take on this. The first is to get back to what we originally requested. That's about \$30 million. We have about \$26 million of state money sitting there waiting for us to do something. We have approval from the building commission to hold that money. We aren't going to lose it. If we look at building this building for \$26 million, I hope I can go and get a waiver because of circumstances that would allow us to do so.

The second thing we're going to immediately start is some sort of capital campaign. You know, that \$3.2 million had no outside money. There are a lot of people interested in this building. I can say, 'Guys if we ante up a little bit to have some match and show good faith, we can get this building going.'

So I really don't see 365 days. They've already turned dirt and torn up parking lots because the state already issued those contracts. That wasn't money coming out of here. It was part of the \$26 million. We had to complete that work and pay those guys. So we're stopping at this point...But no one understands the need to move forward more than I do. Not to take anything away from humanities or anything else, but right now we are in an era of marketable skills and we have had a history of training folks that do something. But we need space and equipment, and then I think we will increase enrollment by doing that. So I hope we're not looking at saying 365 days from now, 'Alright, we still need to find the money.'

We have a good group of legislators up here. In the last two days I've met with five of them. They were not aware of this situation. They haven't been as involved as they want to be. Those guys are willing to step up. No one's asked them to.

The Business Journal: But still we come back to the question: If I am a person in the business community and you come to me for help with these matching funds, having heard everything you've just said, I still want to know how nobody saw the reserves dwindling to this crisis point. How I can trust that everything's fixed?

James King

A vice chancellor with the TBR system since 1999, King was appointed executive vice chancellor in April 2017 to lead various initiatives for students and unite TBR's community and technical college systems. Previously, he served as vice chancellor of the Tennessee College of Applied Technology. Under his leadership, the Tennessee Colleges of Applied Technology garnered national recognition for outstanding completion and placement rates for the entire system of 27 colleges of applied technology. King is chairman of the Commission for the Council on Occupational Education, the national accrediting agency for postsecondary occupational and technical career education institutions. He is also a board member and immediate past president of SkillsUSA. He serves on the board of trustees and is past president of the American Technical Education Association and is a board member for the National Technical Honor Society.

James King: That's a really good question. I think we have corrected the flaw at the Board of Regents as to why this happened. It's unprecedented. It really is. You're looking at a system that has been operating since 1965 and in anything like that at some point, there is going to be a screw-up. We have learned from that. It has not led to the program closing, the building closing. It looks bad on paper, but it is not disastrous. We're right-sizing. We're not bankrupt.

If we right-size, we will come back stronger because we can hire more faculty and buy more equipment if we don't have all the staff sitting here at the Blountville campus. The administrators and the administration of people – if we can do those functions with a lot less people – it's not that the campus is underfunded. We're just out of whack. We're overspending and we have to readjust back to where our priorities are.

I think we got out there (during the previous administration) and

we didn't know how to say no. That's one of the biggest things.

The Business Journal: The iNortheast program where everybody gets an iPad was not –

James King: - was not sustainable. Putting a site in every town around – well, shoot yeah, everybody wants some. But you know, we have a site a few miles down the road at Gray. We've got one in Johnson City. One in Bristol, Kingsport, Elizabethton. Everybody has their own. Was that a smart investment? No, it's not

This isn't actually the first time this has happened in our system. We have had other community colleges across the state where it looked really good to build a big off-campus site. A campus that

SEE Q&A, 12

Q&A, CONTINUED

had 3,000 students built a big off-campus site one time and when it was done they had 1,500 students on one site and 1,500 students on the other with twice the operating expenses and not one nickel of new revenue. They've had growth since then, but those first year or two were tough. You have to have the same financial aid folks at both places – everything. You've actually just cut your campus in half. We're afraid we're going to get to that point at Blountville. So we need to look at these. And if we

do, we will be more accountable to the state, and that's what my role is.

And you're right. Just this weekend I called the chancellor and said, 'I'm still so frustrated over how this got out of whack. I'm dealing with it here, but I'm saying you have a problem and you have to figure out how this got this way. You can't let anyone else get this way.' And now, everyone that was involved in this, in one sense, is not there. You no longer have the vice chancellor for community colleges. You no longer have the chief academic officer in the system. You no longer have the chancellor who was in place then. You no longer have the same president here, and you no longer have the same CFO. So there's not a single soul left that participated in dropping the ball here. Throwing rocks won't help anybody here.

The Business Journal: And we're not talking so much about blame game as we are about how moving forward in the future Northeast State rebuilds people's trust. What specific steps will be taken? As you said, this has happened before where someone was allowed to overspend to very little net positive effect.

James King: One thing that has already been done is there is a whole new look at reserves. The vice chancellor in the business office and new CFO of the Board of Regents, Danny Gibbs, dealt with this on his first day. So he's had a wake-up call and is already examining every campus in our state. Danny was a long-time finance officer at a community college, Roane State, and at Ball State. You have a chancellor now (Flora Tydings) who truly has been a very successful community college leader for years. She's not going to be embarrassed again.

When you look at what we've done in such a short window – it's unprecedented that in one day, two community college presidents (Gilliam and Motlow State President Tony Kinkel) were asked to resign. They were asked to resign for different reasons, but the accountability is greater now. There has been a wake-up call, not just here but system-wide.

Also, it may be a good thing that we no longer have the (fouryear) universities in the Board of Regents. It's 13 community colleges and 27 TCATs. Having six universities took a lot of the

chancellor's time. They were the 10,000-pound gorillas of the system. Now we have two sets of schools where the people running them are in their comfort zone.

I will still maintain my role as executive vice chancellor keeping an eye on everything that has to do with TCATs.

The Business Journal: You're going to be a busy fellow.

James King: Well, right now I'm not doing much of that because I'm concentrating totally on here, but at the same time I have a staff that still oversees the TCATs. Those guys know what they're doing, but we'll still be watching.

So again, it's a great question. All I can say today is we have stop-gapped some things and made corrections but you're not the only one asking that question. I have asked that question every day I have been here. I have yet to get a good answer. Fortunately, the problem was caught before it got over the top – we're not bankrupt. But it's a hard question for anyone to answer.

One lesson we learned is that you can't take the word of any

administrator solely. I've mentioned how frustrated I am reading these lease agreements. When I look at them now, some of them just are not good lease agreements, but the previous chancellor had signed it. As I said before, I called the current chancellor and said, 'You can't let this happen again.' We have to be smarter. It's hard for me to sit here and argue about a lease when everyone in that office that had anything to do with it has signed it. But I'm calling it like it is. We're cleaning up those things. So if you ask the chancellor how it happened and about accountability, her answer would probably sound a lot like mine. She'd say, 'It's not going to happen again.'

Statement by TBR Chancellor Flora Tydings on Northeast State budget cuts:

It is always cause for concern when budget reductions of this level must occur – especially when reductions in personnel must be considered. But the corrective actions are necessary to get Northeast's finances back on track, and I have complete confidence



Photo courtesy Tennessee Board of Regents

that Interim President James King and the finance teams at Northeast and TBR are doing all they can to minimize the impacts on faculty, staff and students. While I am saddened that we have to consider staffing reductions, it's important for everyone to know that Northeast is and will remain a strong, vibrant, fully accredited public community college totally focused on the success of its students and the Northeast Tennessee region it serves.

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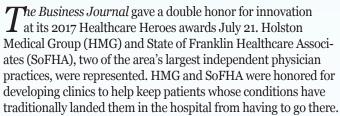
Independents' input critical for COPA success

By Jeff Keeling



I just think the hospitals are going to need to be affiliative in order to have the services they currently provide be high quality and low cost, rather than trying to sort of be dominant.

- Dr. Scott Fowler, CEO, Holston Medical Group



The work occurring at HMG's "Extensivist Clinic" and SoFHA's "Acute Care Clinic" is described on pages 26 and 27 of this issue. It represents an overarching trend in health care toward "value-based" and "patient-centric" models. Its continuation and expansion will greatly impact whether Wellmont and Mountain States separately, or Ballad Health collectively, succeed in the goals they've laid out in their merger application.

The clinics' work, and other initiatives at the independent provider level, represent something else, too: a potential threat to the inpatient-based business model that has driven hospitals' financial fortunes for decades. As a result, guarded optimism and healthy skepticism best describe how SoFHA CEO Rich Panek and HMG CEO Dr. Scott Fowler view the proposed merger.



If you have the correct organizational structure with transparency and accountability and input from the private health community, you're going to increase the likelihood that there'll be compliance related to the elements of the COPA.

- Rich Panek, CEO, State of Franklin Healthcare Associates

Panek (the guarded optimist) and Fowler (the healthy skeptic) seem in lockstep about at least one thing regarding the prospect of the two hospital systems gaining approval by late September to become Ballad Health. State regulation of a merged system must be intensive, it must have teeth, and it would work best if the states (and even moreso Ballad) leaned heavily on groups such as theirs for guidance.

"Part of what the state needs to require is that it has the power to just take whatever authority it wants," Fowler told *The Business Journal* recently. "This is state action. This wouldn't even be approved without the states. At some level (the systems) are giving up their autonomy to the state, and if the state wants that thing, it needs to actually get the power to pull it off."

"That thing" is the Certificate of Public Advantage (COPA) that would govern a merger in Tennessee. A similarly structured "Cooperative Agreement" would govern the merger in Virginia. And the "state action" is rooted in law that permits states to allow for anti-competitive mergers the Justice Department or Federal Trade Commission otherwise would likely block.

If Dr. John Dreyzehner and Dr. Marissa Levine, Tennessee

and Virginia's health commissioners, along with the states' attorneys general decide to grant the COPA and cooperative agreement, they'll be certifying their confidence in their states' ability to "actively supervise" the merger such that its benefits outweigh any harms caused by reduced competition. To insure that result in an age of decreasing inpatient admissions and a focus on quality and value, both CEOs said the states, not to mention Ballad, would do well to turn to groups such as HMG and SoFHA.

We're from primary care and we're here to help

SoFHA's Panek said the systems' merger plan, particularly the reinvestment of merger-generated efficiencies into combatting community-wide health challenges, "is absolutely key for helping develop a system of population health and care improvement regionally."

Panek called the prospective influx of several hundred million dollars dedicated to child health, mental health and moving the needle on chronic adult conditions "exciting." Getting the most out of that money, he said, should involve "an open dialogue" about how best to use those funds, "to help longitudinal care improvements for the chronic disease patient."

And since HMG and SoFHA, with probably north of 200,000 patients between them, will know just how collaboratively the challenge is being addressed, Panek said they should be highly involved in the process.

"The state really needs to come to us and say, 'is the system working in the way they advertised?" Panek said. "Are they collaborative, and are their efforts improving your ability to deliver healthcare and improving the results of the patients' actual health care in and of itself?"

The primary care and hospitalist physicians at SoFHA can tell the state through personal experience whether the system is operating as advertised, Panek said, because they are "on the ground.

"This is actual, 'how was the patient treated, was their health improved, how is the interaction with the physicians?' – things you don't necessarily pick up on in numbers. Is the business being run in a way that the independents are being squeezed out of business, and you don't see it in the numbers? You're not reporting what's happening to us in the community but you're reporting the financial viability of the health system. But they could be choking us down by what they're doing."

Were a combined hospital system to "choke down" on the independents, HMG's Fowler said, it would be a mistake.

"I think the ACO (Qualuable, an accountable care organization) has been successful because it attaches a patient to a doctor and then it holds the doctor responsible for satisfaction, for trying to utilize the facilities and the testing and all that that are needed to result in high quality outcomes, but also measures the waste in the system," Fowler said. "So it focuses the doctor's brain and experience along with the patients' desires to try and not do things that really don't help at all, but they generate dollars."

Nonetheless, Fowler and Panek expressed some level of concern that, without strict oversight, a new hospital system could balk at a collaborative path that moves the region more or less in line with national trends.

Panek said bad signs would include Ballad using its market power

SEE COPA, 18

7:50am Ecommerce site ready to launch.

7:51am Called IT to make sure fraud protection

was in place.

7:52am It wasn't.

7:55am Postponed site launch.

8:00am Called Megan at First Tennessee.



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BJ Features

COPA, CONTINUED

to squeeze the independents, whether through losing staff, making some hospital-based specialties exclusive to the system, or negotiating exclusive contracts with payors that disadvantage the independent providers.

The systems have downplayed their market power on the outpatient side, but Fowler said Ballad would have sufficient opportunities to exercise that power, including payor contracting. Payors "have to contract with" the biggest provider in a marketplace, he said.

"In the outpatient marketplace they know there are plenty of competitors besides them," Fowler said. "We're just very small ... compared to their size now, and when you combine them we're tiny compared to their size."

The hospitals' conundrum

With nearly 300 practitioners between them, SoFHA and HMG have been at the forefront of innovation as health care has transitioned from a fee-for-service environment to value-based payment models. The groups provide the primary heft behind Qualuable, a highly regarded accountable care organization (ACO) with more than two dozen partner practices.

Qualuable has focused on improving patient outcomes and satisfaction while reducing cost, in large part by keeping patients out of hospitals. The better Qualuable members have achieved those goals, the better it's been for them financially. That trend is favored by payors ranging from the Centers for Medicare and Medicaid Services (CMS) to private insurance companies. It supports national goals of reducing cost and improving quality of access — and it tears at the core of hospital business models.

"That can run afoul of the business models on the inpatient side," Panek said, adding that's one reason he sees a need for robust state oversight. Without the right "sticks" in place, the financial "carrots" of inpatient admissions can color hospital systems' approach to dealing with patients.

"If the inpatient revenue related to readmissions well outstrips the penalties you get from CMS related to admissions, what are you going to do?" Panek said. "I really do have compassion for the position of the health systems, because they have a high fixedcost-based model. And that model isn't designed to treat chronic, complex, longitudinal diseases out over time."

Fowler agreed. A hospital system, he said, "has a little bit of a conundrum, since its business model is based on driving that volume."

State oversight will be critical to keep trends moving in the right direction, Fowler said. "I believe that on that regulatory piece you need to balance the power that was there before, the power between ... medicine from the point of view of the hospital and ... medicine from the point of view of the patient and the view of the doctors. All that has to hit a balance and in the end it has to be best for the patient."

Is a 'better mousetrap' possible?

Dreyzehner, Tennessee's health commissioner, has stressed the proposed merger's unprecedented nature. The application process, now spanning 18 months, has drawn on-the-record written commentary from a host of health care experts, some in favor, some opposed. The Federal Trade Commission has written and spoken at

length, outlining its opposition and the harms it believes a merger would create. Allowed to stand, the merger almost certainly would draw close attention in markets around the country.

Fowler admittedly leans toward the value of competition, even in the already heavily regulated healthcare market. He said he could envision "a set of compromises" the hospital systems could make to reduce his concerns significantly but added those haven't yet been made to his knowledge.

"If the merger creates a better environment for patients, it's right now still based on just a hope that things will just happen to go that way, and I think there's a strong concern still despite everything that's been submitted (and) resubmitted."

Still, he doesn't discount the possibility, however slim, that a merger could work.

"Reduction in admissions comes out of the hospitals' pocket. Surgeries done outside the hospital come out of their pocket. Diagnostic procedures done at a lower cost setting comes out of their pockets. So the state would have to be able to literally require that the hospital do something that would cause it to lose money, and at that point, aren't those independent decisions the hospitals could make on their own – do I want to invest in something that's going to cause me to lose money in the hope that it will generate something better for me? But you could do it with state regulation."

"We can envision a place where it would work. It would be very complicated, very expensive."

For his part, Panek said a new system will only thrive with statemandated outside input and involvement.

"If there is not that accountability structure with the input of people who are not beholden financially to the health system, it's going to be very difficult. Because then you're purely at the mercy of the integrity of the managers of the health system."

If the state can pull off such an "accountability system," Panek sees the SoFHAs and HMGs "essentially managing primary care in the community."

"If we trusted each other at that level we could do some great things. When you take those investment dollars and you seed a lot of these initiatives and you develop that structure where the people who are best at operating various components of the system operate them and are held accountable I think you could do some great things."

Panek said such a scenario could provide the greatest "lift" for patients when it comes to merger-generated investments, but added that the state would have to play a strict role as overseer.

"I don't think we could cede a structure completely over to Ballad without outside input and outside organization that designs that structure to have accountability and transparency to the local health community," Panek said. "If you have the correct organizational structure, with transparency and accountability and input from the private health community, you're going to increase the likelihood that there'll be compliance related to the elements of the COPA."

(Jeff Keeling is vice president of communications for Appalachian Community Federal Credit Union and former associate editor of The Business Journal.)









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presented by The Business Journal of Tri-Cities TN/VA

For the last quarter century, *The Business Journal of Tri-Cities, TN/VA* has called the attention of the business community to the individuals and organizations who make a positive impact on the provision of health care in the region.

Health care makes up one-sixth of the nation's economy, and is an even larger player in the local economy. Two of the three largest employers in the region are healthcare companies. Add to that the number of healthcare employees not directly affiliated with those two hospital systems, and you see how vital healthcare professionals are to Northeast Tennessee and Southwest Virginia's business community.

Not only is health care the largest and most important industry in the region from a macro perspective, it also touches everyone on a very real and personal level.

So what defines a Healthcare Hero? All have earned the respect and admiration of colleagues, patients and the communities in which they work. Nominations come from those populations. Each of the nominees for this year's class – and this year's group was the largest pool of nominees yet – is already a hero. Health care is a field that lends itself to selfless action and tremendous dedication.

It is our privilege at *The Business Journal* to recognize these heroes, as we did at a luncheon at the MeadowView Conference Resort and Convention Center July 21. We do this on behalf of the entire business community. After all, without quality healthcare providers, none of the rest of our businesses can survive. We all need healthy employees and customers.

The Business Journal wishes to recognize the dedication and commitment of our title partner for the 2017 Healthcare Heroes, Mountain States Health Alliance, as well as presenting partners Blue Cross Blue Shield of Tennessee and Wellmont Health System, and partners First Citizens Bank and Frontier Health.



Healthcare Healthcare













Photos by Tara Hodges, Sweet Snaps Photography.



When you or someone with you develops stroke symptoms, even if the symptoms go away, don't delay. Call 9-1-1 immediately, and ask to be transported to Johnson City Medical Center, a Joint Commission primary stroke center, ranked Top 10% in the nation and #1 in the Tri-Cities for stroke care, by CareChex.

In fact, Dr. Samuel "Chip" Massey and Dr. Brian Mason are the only fellowship trained neuroendovascular surgeons in our region who perform minimally invasive stroke procedures. This means you get the very best treatment with a shorter recovery time. When every second counts, you need the best and you need it fast.

At the first sign of a stroke, call 9-1-1 immediately.



Samuel "Chip" Massey, MD Neuroendovascular Surgeon

Brian Mason, MD Neuroendovascular Surgeon











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Community Service Award



The Virginia Appalachian Tricollege Nursing Program

The Community Service Award goes to an individual or organization for excellence in public health.

This year's honoree is the Virginia Appalachian Tricollege Nursing Program. Since 1976, when Mountain Empire Community College joined a pre-existing partnership between Southwest Virginia Community College and Virginia Highlands Community College, this program has turned out more than 5,000 graduates. But what's really special about that number is the fact that more than 80 percent of those nurses continue to live and work in this region. When it comes to many of the smaller, rural hospitals in the region, the majority of the nurses in place came from this program. Every year another 240 or so nurses join the workforce from the Tricollege program. And already this year the program has announced expansions at two area hospitals, the Bristol Regional Medical Center, which partners with Southwest Virginia Community College and Holston Valley Medical Center, which partners with Mountain Empire Community College.

Dr. Kathy Mitchell, dean of the Virginia Appalachia Tricollege Nursing Program



Distinguished Service Award



Phyllis Hamilton

The Distinguished Service Award goes to an individual who has shown leadership and excellent service over a sustained period of time. This year's honoree is Phyllis Hamilton of the Johnson City Medical Center.

According to the numbers provided by Mountain States for last year's Book of Lists, MSHA last year had 8,415 employees. Each of those employees has, on his or her employee badge, a unique employee number. Phyllis Hamilton's is No. 1. This year she celebrates 65 years of service, having joined the staff of Johnson City Memorial Hospital in 1952. She charted on floors with iron lungs. She became such a passionate supporter of local blood drives that in May of this year, Blood Assurance dedicated all its drives in her honor. Over the years, she went from being, as she says, "just a secretary" to a trusted advisor and friend, bringing the value of her years of experience to a growing company. In 2012, when she had 60 years of service under her belt, she came back from hip replacement surgery and has kept working since. The distinguished service award is about dedication, and no one's dedication tops that of Phyllis Hamilton.



Innovation Award



State of Franklin Healthcare Associates

The Innovation Award rewards innovative thinking in the region's healthcare community. This year sees two Innovation Award honorees. The first is State of Franklin Healthcare Associates.

The Acute Care Clinic at State of Franklin is designed to treat mild exacerbations of chronic conditions such as COPD, congestive heart failure, asthma, pneumonia, UTIs – often things for which many patients need "just a simple IV." This allows patients, especially during the hours of the early morning and evening, to avoid needing to pay for more expensive emergency room visits - the most costly healthcare available. Recently Blue Cross Blue Shield recognized State of Franklin as "Best in Class" for lowest emergency room usage.

Dr. David Moulton



Innovation Award



HMG

The 2017 Innovation Award also goes to HMG, Holston Medical Group. The HMG Extensivist Clinic is an answer to the question of how to create extensive care for the five percent of the population that consumes almost half the national healthcare expense – in an outpatient setting with emergency and ICU-trained nurses and physicians.

There are no overnight stays at the Extensivist Clinic, and in four of five cases, the patient will go home to sleep and eat. Twenty percent of patients seen in the Extensivist Clinic are admitted to the hospital. Because of the clinic, HMG has seen an increase in value-based payments for cost savings and improved quality. For creating a next step in a more efficient continuum of care, the Innovation Award goes to HMG, Holston Medical Group.

Dr. Eric Schwartz and Jessica Quillen Bradford



Meritorious Service Award



Cicely Alvis

The Meritorious Service Award goes to an individual who has shown excellence in administration. The 2017 honoree is Cicely Alvis, site director for the Crisis Stabilization Unit and CALM Center at Frontier Health. Alvis wrote and implemented the Crisis Stabilization Unit's accountability system. She re-wrote the crisis stabilization protocols, introducing the current responsibility assignment matrix. In short, she was the guiding force behind creation of the system that lets everyone know exactly what is expected of them in a time of crisis. She's brought Frontier statewide recognition in the suicide prevention network in the co-occuring disorders learning community and she is recognized statewide for her passion and drive in the field of suicide prevention.



Support Service Award



Scrubs the Bear

The Support Service Award goes to an individual for outstanding assistance in the field of health care. Over the years this award has been presented to everyone from financial benefactors to staffers to volunteers. In 2017, it's going to a doctor who brings a bear to life in order to brighten the days of sick children.

Inside the Scrubs the Bear costume is Dr. Deb Joyner, an ETSU administrator who has given countless hours making a positive, comforting impact on children and their families at Niswonger Childrens' Hospital. While Scrubs is an easy-to-identify marketing symbol who can be seen on specialized license plates throughout the region, he was created not for marketing purposes, but rather to be a non-threatening, even welcoming visitor to children's rooms at the hospital. Scrubs will see kids off before they undergo surgery and drop by during recovery. For most children, Scrubs' appearance is the brightest part of their stay.



Dr. Steven Baumrucker

Dr. Steven Baumrucker sits on the Wellmont Medical Associates controlled substance committee. He is a tireless educator for providers regarding the opioid abuse problem in the region. Since 2015, Dr. Baumrucker has held more than 15 educational events regarding the safe prescribing of opioids for nearly 1,000 healthcare providers in the region. He has since expanded that program into an online presentation called "Enduring Materials." Dr. Baumrucker's nominators also noted his work as a palliative care physician. He serves as system medical director for Palliative Care, as an assistant clinical professor at ETSU teaching palliative care, and as editorin-chief of the American Journal of Hospice and Palliative Care.





Dr. Rebecca Buchanan

As an eight-time NCAA All-America athlete, Rebecca Buchanan knows good health is a function of good habits. To that end, now-Professor Buchanan of Emory and Henry College in Virginia has dedicated her life to influencing young people, especially young women and girls, to pursue long-term health. Buchanan has raised funding for, and administered, a Girls on the Run program for five Southwest Virginia counties, now serving more than 300 participants. She has also created a program at Patrick Henry High School to help students improve their lives through non-traditional physical education experiences including yoga, dance and self-defense. Teachers who have implemented her "brain energizer" exercises in their classes have seen improvements in reading assessment scores.



Katherine Combs

In the business world, we talk about things like economies of scale and dealing in volume. Since arriving at Frontier Health in 2012, Katherine Combs has served nearly 5,000 children and their families with a variety of behavioral health issues from school related problems to ADHD with complexities to adjustment issues to serious issues of trauma and loss. Because of her specific skills with young children, she has been asked by both the Carter and Washington County schools to work with their students – providing on-site services and as a mental health consultant. In addition, she directs the Nurturing Parent program for Frontier Health, building parenting skills for at-risk and/or struggling parents. Combs is also a tireless advocate in the local media for the area's children.



They help. They heal. They're our heroes.

Wellmont Health System congratulates its 2017 Healthcare Heroes.





- Dr. Steven Baumrucker, MD, a palliative care physician with Wellmont Medical Associates, is a tireless educator against the opioid abuse epidemic.
- Co-workers at Holston Valley Medical Center's Birthplace and NICU
 utilize talents and skills so our region's smallest patients have the
 best start to life, and their mothers receive the care they need.
- Sharon Folk, a board member with Takoma Regional Hospital, has been a guiding force in the hospital's continuing development.
- Phyllis McKinney, a volunteer with Takoma Regional, has donated an impressive 13,000-plus hours the equivalent of 1,625 eight-hour working days.
- Jim Moore, Wellmont's vice president of facilities, plays a vital role in enhancing the look and functionality of every Wellmont location.
- The Wellmont Cancer Institute brings together a team of world-class, compassionate caregivers who give patients strength for today and hope for tomorrow.
- Dr. Earl Wilson, MD, a neurologist with Wellmont Medical Associates, has worked extensively to increase stroke survival rates.



Dr. Scott Dulebohn

Dr. Scott Dulebohn is a former PriceWaterhouse CPA and executive at Sherwin Williams who decided nothing about those careers was brain surgery – so he became a neurosurgeon. In addition to that work, he maintains his entrepreneurial spirit by having been one of the founders of statpearls.com, a continuing education website targeted to clinicians. A database of peer-reviewed articles in more than 40 specialty areas, Dulebohn's site also includes multiple-choice questions for every area. He has offered it free of charge to all Mountain States clinical team members. In his spare time, Dr. Dulebohn can be found on the VA campus, serving our veterans.





Dr. Lou Fincher

Dr. Lou Fincher is the dean of the Emory & Henry College School of Health Sciences, and that's good news for Southwest Virginia. She was instrumental in starting a falls prevention center at the school. Under her watch, the school began offering graduate degrees in physical therapy, occupational therapy and physician assistant education. It is also home to two facilities that offer free service to two key populations in the region: an obesity research center and a free clinic serving the uninsured and under-insured. Her most widely hailed achievement remains the accreditation of the school, a process which she oversaw after a previous attempt under other administration had stumbled. Because of the achievements of Dr. Fincher and her team, Emory and Henry and the population of Southwest Virginia both have brighter, healthier futures.



Sharon Folk

As a board member at Takoma Regional Hospital for more than 30 years, Sharon Folk has brought a record of business success that includes work with her family business, National Business Forms, the Andrew Johnson Golf Club and the board of Andrew Johnson Bank. She also made a significant gift to the expansion and renovation of the Takoma emergency department, increasing the size of the department by half again the number of beds, each in a private room, including designated suites for cardiac care, pediatrics, orthopedics, respiratory isolation and chemical decontamination. More recently, she has been a key driver in an initiative to renovate and improve the hospital's nursery. Perhaps most notably, however, has been the dedication to quality and safety initiatives throughout her time on the Takoma board.





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Dr. Richard Gendron

With 39 years of experience providing pediatric care, Dr. Richard Gendron has patients aged four to forty. And his background as a pediatric behaviorist helps him deal with everyone from four year olds to forty year olds. Gendron has also been one of the leaders in the development of electronic medical records in the region. He's been interested in that field since it was virtually the stuff of science fiction back in 1972. In fact, it was HMG's full utilization of electronic medical records that brought him to HMG back in 1996. He has served 18 of 21 years as chair of Quality Assurance at HMG, covering the work done at 26 locations with more than 150 providers, all while maintaining the pediatric practice and making full pediatric rounds.



The students and volunteers of the Healing Hands Health Center Dental Clinic



Through the volunteerism of these students and professionals, the Healing Hands Dental Clinic is able to offer service for minimal - and sometimes no - payment. No patient is turned away for their inability to pay the fees of \$20 cleanings and \$50 oral surgery. The clinic partners with both the East Tennessee State University Dental Hygiene Program and the University of Tennessee College of Dentistry, meaning some of these students drive here from Memphis to participate. Those students and volunteers have had 22,500 patient visits over the last 20 years, providing free or low-cost services with a market value of more than \$4 million.



The Birthplace and NICU staff at Holston Valley Medical Center

Drs. James Beckner, Chris Martin, Pius Powers, Asra Tanveer, and Elizabeth Michael, along with CRNA Scott Davis and members of the respiratory therapy staff were nominated by a patient who had been admitted in January for labor induction. Complications arose, both

for mother and child, during the birth. The mother spent six days at Holston Valley and the child spent seven days in the Neonatal Intensive Care Unit. A cynic might say that in saving two lives, the staff was simply doing its job. The nominator is,



however, not a cynic. She is a team member at Holston Valley, who works side by side with these same providers day in and day out. If anyone is qualified to judge their heroism, this was the patient to do so.

Honoring Our Healthcare Heroes and All 2017 Recipients Cicely Alvis Katherine Combs Cindy Tvardy



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Phyllis McKinney

Phyllis McKinney has been an energetic, enthusiastic volunteer at Takoma Regional Hospital for more than three decades now. She has logged more than 13,000 hours – the equivalent of around \$314,000 value - to the service of the hospital, and thus to its patients and the community. She created the Healing Hands program and introduced the Love Lights program as well. She has coordinated everything from bake sales to holiday bazaars, raising well in excess of \$600,000 for emergency department expansion and birthing room renovations. She is the de facto leader of a 45-person contingent of volunteers and has made it known she has no plans to slow down anytime soon – for which Takoma is grateful.





Dr. Alan Meade

Dr. Alan Meade's contributions to the region's health and wellbeing go beyond his practice in rehabilitative care at HMG. He was a key player in the development of the Green Belt in Kingsport and has worked with Healthy Kingsport on projects including Live Sugar Freed, Walk Across Tennessee and the Tennessee Healthier Workplace Initiative. Dr. Meade lobbies state legislative representatives on health issues and was invited by House Speaker Beth Harwell to testify in front of the opioid task force in February of this year. Recently he accepted the role of president of the HMG Political Action Committee. For his role not only in the provision of care, but in the public sector's acceptance of its responsibility in the field of healthcare, Dr. Alan Meade is a 2017 Healthcare Hero.



Jim Moore

Jim Moore has borne the responsibility of making sure all of Wellmont Health System's facilities are as efficiently functional as possible while still being aesthetically welcoming to patients. As vice president of Facilites, he and his team maintain seven hospitals, from tertiary hospitals to small rural facilities, plus the growing network of Heart Institute and Cancer Institute facilities. The hospital challenges are legion, from managing huge projects like the Holston Valley renovation to the building of Hancock County Hospital to keeping 56-year-old Hawkins County Memorial Hospital up to date. Add to that the construction of Wellmont's Urgent Care facilities, it becomes obvious that as healthcare models change, the work of Jim Moore will only become more important.



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Dr. Rebecca Buchanan

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Dr. David Moulton

His title is medical director for clinical integration at State of Franklin Healthcare Associates. His work is unending. As physician champion for quality improvement, Dr. David Moulton has helped in efforts that began with qualifying as an NCQA Level 3 patient centered medical home and have led to quality control measures that have seen State of Franklin recognized by Cigna (along with Mountain Regional Family Medicine) as top in the nation for quality. Those efforts have also seen Blue Cross Blue Shield recognize State of Franklin for low emergency room utilization, and have seen United Healthcare honor Dr. Moulton as physician champion of the year. In addition, he serves on the transition team working with Mountain States and Wellmont on the Ballad Health Initiative, and is codirector of Qualuable Medical Professionals.





Dr. Todd Pillion

Todd Pillion is a pediatric dentist. And that fact has almost nothing to do with why he is being honored as a Healthcare Hero. Dr. Pillion is also a member of the Virginia House of Delegates, and he is laser focused on helping the Commonwealth stop the opioid crisis in its tracks. In the last session, Delegate Pillion sponsored half a dozen pieces of legislation to curb the opioid problem. All passed unanimously and all were signed by the governor. One piece of legislation formed a prescription guideline workgroup that has already begun its work. Another established a similar group to eliminate barriers to care for substance-exposed infants. Yet another requires electronic prescribing of opioids by 2020. In a legislative environment that sometimes seems to work at a snail's pace, Dr. Todd Pillion is getting things done today.



Dr. Trey Robertson

Sometimes, heroism in healthcare is demonstrated as much in the care, as in the health. Yes, Dr. Trey Robertson has been a groundbreaking surgeon at Franklin Woods and Johnson City Medical Center, being the first in Tennessee to perform fecal microbiota transplants, helping to cure patients with recurrent infections. But his nominators pointed to his consistent caring approach to his profession as something that sets him aside form other providers. From a patient who had been told elsewhere her ostomy failed. and who felt her life was ruined, but whose need he properly assessed and successfully treated to instances outside the O.R., including coworkers whom he helped to understand family medical situations. For making sure care stays in healthcare, Trey Robertson is a 2017 Healthcare Hero.

Melody Trimble accepted for Dr. Trey Robertson



Celebrating Our Healthcare Heroes

Innovation Award, Acute Care Clinic • Healthcare Hero, Dr. David Moulton



Innovation Award, Acute Care Clinic

Dr. Kevin Sweet (left), and Dr. David Moulton (above, right), Co-Medical Directors: Dr. Frank Johnson, Dr Jason Hatjioannou, Dr. Craig Matherne, Dr. Bryan Nerren, Dr. Paul Brown, Dr. David Freemon, and Dr. Azadeh Khezri, participating physicians.



Healthcare Hero, Dr. David Moulton Medical Director of Clinical Integration, Co-Medical Director, Acute Care Clinic, State of Franklin Healthcare Associates



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Jamie Swift

Jamie Swift shows that heroism also comes in the form of doing your job to the level of true excellence. As director of Infection Prevention at Mountain States, Swift has earned national recognition, earning the Heroes in Infection Control Award – one of only six in the nation - from the Association for Professionals in Infection Control and Epidemiology. She also was accepted as and APIC fellow this year, one of only 169 in the world. She led the design and implementation of the region's ebola preparedness plan. And recently she led a collaboration that brought together Mountain States, Wellmont, the ETSU Quillen College of Medicine, the Veterans Administration, and the health departments of Washington and Sullivan Counties to address the overuse and misuse of antibiotics.





Cindy Tvardy

During her 25-year tenure with Frontier Health, Cindy Tvardy has affected the lives of thousands of individuals. She has taken on more and more responsibility in helping the people of the region defeat substance abuse issues through the years, and now works with the court system to find the best way forward for individuals whose substance abuse has led them in conflict with the law. Said one nominator, "There might be a time when I, the hard-core, mean judge will be about to give someone his fifth or sixth chance when Cindy will say, 'They've had their chances. They need to go to jail today for a few days (or weeks). They'll be safer in jail at this time and they need a wake-up call." The site director of the Nolachuckey Holston Mental Health Center, Cindy Tvardy.



Jibber Ward

Jibber Ward has been a member of the Board of Directors at Norton Community Hospital for 25 years, and has served as chairman, overseeing the master facility plan that resulted in the renovation and expansion of virtually every department and program at the hospital. At a time when rural hospitals are at risk, he has played an integral role in keeping Norton a thriving concern. He has brought a strong fiscal sense to the hospital's operations, through his experience as president and CEO of Miner's Exchange Bank since 1982. He has served on the hospital's Finance Committee and on the Mountain States Health Alliance's Investment Committee.







The Wellmont Cancer Institute

The Wellmont Cancer Institute was formed five years ago. In the last year alone, it has seen a 41 percent increase in lung patients seen per month and a 50-plus percent increase in diagnosed lung cancers each month. Almost 48 percent of patients were diagnosed with stage one or two cancer, and yet the institute has been efficient enough to provide test results to

more than 60 percent of its patients within five days. In 2016, the institute was named to an elite group of organizations to participate in a special care delivery model for chemotherapy treatment focused on delivering even higher quality and improving outcomes while decreasing costs,



the new oncology model of the Centers for Medicare and Medicaid Services. At the same time, literally going the extra mile for its patients, a group of cancer institute nurses took the initiative this year to host a run/walk fundraiser for the patient assistance fund, raising \$64,000.



Dr. Earl Wilson

Because stroke is 34 percent more likely to strike a resident of our region than the U.S. overall, the prevention and treatment of that condition needs a local champion. Fortunately for us Earl Wilson is already here. Originally from Tazewell, Va., Dr. Wilson had planned to become a family practice physician, but ended up becoming a neurologist and eventually establishing the Appalachian Regional Stroke Center Network and later the Advanced Primary Stroke Center at Bristol Regional Medical Center. This year, the CareChex organization chose Bristol Regional among the top 10 percent in the country for medical excellence in stroke care. In addition to his work with strokes, Dr. Wilson has been actively involved in the treatment of multiple sclerosis, in epilepsy monitoring and in the creation of Bristol Regional's sleep lab.



presented by The Business Journal of Tri-Cities TN/VA

Many heroes across our region provide compassion, loyalty and excellent service. These heroes are just a few of the individuals and organizations that support the growth of healthy communities throughout the Tri-Cities, Tennessee/Virginia region.

MOUNTAIN STATES HEALTH ALLIANCE, BLUE CROSS/BLUE SHIELD OF TENNESSEE, WELLMONT HEALTH SYSTEM, FRONTIER HEALTH AND FIRST CITIZENS BANK ARE PLEASED TO HONOR THE 2017 HEALTHCARE HERO AND CUP OF KINDNESS AWARD RECIPIENTS.

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Distinguished Service Award

Phyllis Hamilton Johnson City Medical Center

Meritorious Service Award

Cicely Alvis
Frontier Health

Innovation Award

Extensivist Clinic
Holston Medical Group

Innovation Award

Acute Care Clinic State of Franklin Healthcare Associates

Support Service Award

Scrubs the Bear Niswonger Children's Hospital

Healthcare Heroes Awards

Steven J. Baumrucker

Wellmont Health System

Rebecca Buchanan

Emory & Henry College

Katherine Combs

Frontier Health

Scott Dulebohn

StatPearls.com

Lou Fincher

Emory & Henry College

Sharon Folk

Takoma Regional Hospital

Richard Gendron

Holston Medical Group

Healing Hands Dental Clinic Students and Volunteers

Healing Hands Health Center

Birthplace and NICU Staff

Holston Valley Medical Center

Phyllis McKinney

Takoma Regional Hospital

Alan Meade

Holston Medical Group

Jim Moore

Wellmont Health System

David Moulton

State of Franklin Healthcare Associates

Todd Pillion

Virginia House of Delegates

John "Trey" Robertson

Franklin Woods Community Hospital

Jamie Swift

Mountain States Health Alliance

Cindy Tvardy

Frontier Health

Jibber Ward

Norton Community Hospital

Wellmont Cancer Institute

Wellmont Health System

Earl Wilson

Bristol Regional Medical Center

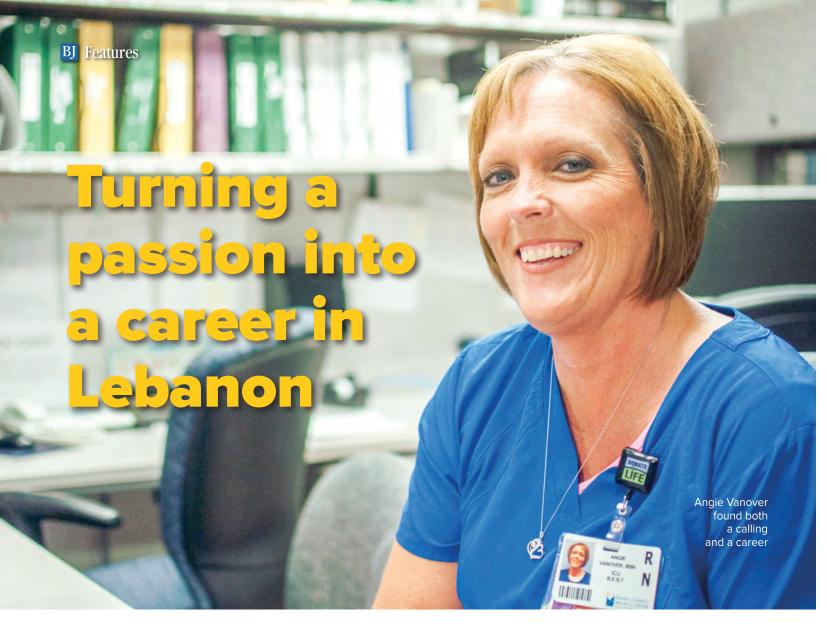












The third in a series of "Operation Tomorrow's Workforce" articles by the United Way of Southwest Virginia

We're losing them - we need 300cc's of volunteerism, stat! Only one in four of America's teenagers between the ages of 16 and 19 currently volunteers, according to the U.S. Bureau of

Labor Statistics, but volunteering can help identify passions that could lead to careers.

For Angie Vanover, a nurse at Russell County Medical Center of Mountain States Health Alliance, it was her volunteer work at the age of 15 that allowed her to connect her passion with a career path.

Vanover's then-boyfriend (now her husband) knew she wanted to be a nurse. He encouraged her to join the New Garden Junior Rescue Squad in Honaker, Va., for volunteers under the age of 18.

She said, "It was a huge part of my life. I think that the squad – that and sports – kept me occupied. I think maybe a time or two, I would have gone down the wrong

road if it wasn't for all of that. I think it kept me focused. My junior and senior year, there were times when I would run calls all night and go to school the next day. I loved it that much." From Vanover's volunteer experience, she gained a mentor with her same interests, which the Center for Promise says

When I was in ICU, I was the baby of that unit. The people I worked with were always ten or more years older than me. They taught me the right way to do things.

- Angie Vanover

doubles the benefits of mentoring. She explained that the older members on the senior squad invested in the junior squad. She said, "One of the members of the senior squad was an ICU nurse and cardiac technician at Russell County Medical Center, and she became a mentor to me – and still is. She was a little bit intimidating, but for whatever reason, she took me under her wing. We became very good friends. She always believed in me and encouraged me to go on and further my career."

Because of that mentor, Vanover was introduced to what a job in the nursing field actually looked like, "When we

would come in on a call and she was working, she would take me in the ICU and explain the monitors and teach me about telemetries and things like that."

That volunteer experience and mentorship set the stage for Vanover's career. At the age of 18, she received her EMT certification, married her high school sweetheart, and became a nurse's aide in some of the local retirement homes.

When she was 23, she went on to nursing school in an LPN program. "About a month into the program, I had my daughter, Abigail. It was extremely difficult. When I had her, I took about two weeks off. I came over here every other day and took two tests at a time because in that program, it's really demanding - you take a test every day. But I did it, and I graduated salutatorian."

Upon graduation, she was offered a job by Russell County Medical Center (RCMC). But Vanover wasn't finished with her education, so she immediately began taking pre-requisites for an RN program at Southwest Virginia Community College. While in the program, Vanover continued to work at RCMC in ICU. She said, "When I was in ICU, I was the baby of that unit. The people I worked with were always ten or more years older than me. They taught me the right way to do things. That's very much molded me into the nurse I am, and my mentor has encouraged me all the way through my career."

A study conducted by Sun Microsystems compared the career progress of approximately 1,000 employees over a five-year period, and found that being mentored makes an employee five times more likely to be promoted. It certainly seems to have some truth in Vanover's case.

She completed the RN program by taking one or two classes each semester over the course of five years because she didn't want to neglect time with her family. Vanover said, "My husband and I are celebrating our 25th wedding anniversary this year. He is a wonderful person who has played mommy and daddy many times when I've been in school and working. He's been extremely supportive in whatever I've pursued, and he's my backbone. If it wasn't for my husband, my mom, and my grandmother, I would not have been able to pursue all of this with two children."

Several years passed, her children became teenagers, and Vanover remained at RCMC. In 2013, she was given an opportunity to change positions and Mountain States Health Alliance paid for her to get her wound care certification. Then, another opportunity came her way. Mountain States Health Alliance awarded ten employees scholarships to pursue a Bachelor's Degree in Nursing, and one of those employees was Vanover. She finished the program last year.

Vanover, like a lot of people in our region, has a strong work ethic, and she is modeling that for the next generation. "To find out how your passions can be used in the community, you have to get involved," she said. "Volunteering should be part of life. I'd encourage the next generation interested in healthcare to volunteer with a junior rescue squad or at one of Mountain States hospitals."

When Vanover thought back on her own life, she said, "The only way to see what a career is really like is to get out there in the field – to volunteer and shadow. Don't just run with a career choice because of the fantasy of what it looks like in your head. If you take different opportunities as they come to you, you'll know when you find how to use your passion. You'll know. Even today, I know nursing is my passion. I've been a nurse for 17 years, and I love it more now than I ever did. I'll never do anything else."

In September, United Way of Southwest Virginia is hosting a Careers Expo for Youth to inspire more than 4,000 seventh graders to find their passions. Students will participate in hands-on activities from dozens of our region's employers, and could be able to climb a utility pole, participate in a chemistry experiment, or use a 3-D printer to create a 3-D object. To learn how to make sure your business is involved in this two-day event to inspire tomorrow's future workforce, visit *UnitedWaySWVA.org/expo*.

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NN, Inc. to sell Precision Bearing Components Group

By Scott Robertson

NN Inc., a Johnson City-based industrial parts manufacturing company, announced last month it is selling off its Precision Bearing Components Group, which includes its properties in Erwin and Mountain City.

The deal with Tsubaki Nakashima Co., Ltd., will bring NN \$375 million in cash. It will close later this quarter, subject to regulatory approval. "We think it will close in between 30 and 60 days," said Richard Holder, NN president and CEO. "We think this deal builds an enormous amount of shareholder value. It's overall just a solid deal for both organizations."

The Precision Bearing Components Group includes the group of heritage product lines that made up the business when the company was known as NN Ball & Roller. It includes production of balls, rollers, cages and sheet metal parts.

Holder said the move will be in the best interest of both his company and the employees at Mountain City and Erwin who will work for Tsubaki Nakashima. "We believe that Tsubaki Nakashima is the right strategic fit for the Precision Bearing Components Group (PBC), its employees and its customers. By joining with Tsubaki Nakashima, a well-respected bearing components manufacturer with an established track record of global growth, PBC will continue to thrive."

While NN is diversifying its product offerings, Holder said, Tsubaki Nakashima is focused entirely on growing the ball and roller segments of the business that are key to the survival of the Erwin and Mountain City plants. "They are a rolling elements company that does not have a North American presence. They did not have a European presence. One hundred percent of what they do is around growing and enhancing the rolling elements business. So we felt comfortable being able to put our business in their hands with this deal. We know they want to do good things for our employee base and our communities. So we feel comfortable with that."

Currently, the PBC makes up around a quarter of NN's total sales revenue. Net sales for the first quarter of 2017 were \$68.8 million, compared to \$64.7 million in the first quarter of 2016, an increase of \$4.1 million or 6%. Adjusted income from operations for the first quarter was \$8.6 million, compared to \$7.1 million in the first quarter of 2016.

NN will retain its Autocam Precision Components and



Richard Holder

Precision Engineered Products groups, and will utilize the cash brought in from the PBC sale to grow those segments of its business. "The sale of PBC represents a key strategic step toward building a diversified industrial business and capitalizing on growth opportunities that foster strong operating performance, stable earnings and free cash flow over the long term," Holder said. "This transaction further balances our portfolio and provides us with the capital to execute on our strategic expansion into the higher-growth, medical and aerospace end markets."

A company press release said NN plans to redeploy the estimated \$270 million in net proceeds (after taxes and fees). Holder said its likely many of those dollars will be plowed right back into acquisitions of higher-margin, higher-profit lines, "in the very near future."

"It's a planned redeployment of capital into a higher-growth, higher-

margin end-market profile," Holder said. "It heightens the focus on our engineered solutions and our ability to execute on the acquisitions that we have on our pipeline."

By divesting itself of the lines being sold to Tsubaki Nakashima, NN will lessen its exposure to volatile automotive markets while broadening its ability to operate in higher growth areas.

"Our diverse portfolio is now 53 percent of our revenue. So we are no longer overly dependent on the automotive, highly-cyclical market. Post-deal, we will become a much better balanced organization. In automotive, we go from 25 percent highly cyclical exposure down to about 8 percent exposure. Our high-end technology – leading-edge, highgrowth product – ends up being about 39 percent of our automotive profile.

"Aerospace and defense is about 2 percent of our business and growing," Holder said. "We will go from between zero and \$1 million to about \$35 million exiting this year, so a good growth story and one we are focused on. The rest of our pieces, electrical, industrial and medical, all are about 17 or 18 percent of our revenue, so there is that balance."

The market's initial reaction to NN's announcement was positive. The company's share price on the NASDAQ rose 10 percent the day the deal was announced. Moody's, which assigns credit ratings to publicly held businesses, said, "NN, Inc.'s asset sale is credit positive but does not currently impact ratings."

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Rotary District Governor Dick Ray with Wirt Taylor. Photo courtesy Rotary Club of Kingsport



Wirt Taylor recognized for 50 years uninterrupted service

George "Wirt" Taylor is making history. He received the first-ever award for fifty years of perfect attendance from the Rotary Club of Kingsport July 26. Rotary's District Governor Dick Ray recognized Taylor. Taylor's plan, at age 74, is to keep the streak alive. It is already a feat to have fifty years of perfect attendance, and in Taylor's case, he's never missed a meeting. He joined July 1, 1967 and has been living Rotary's motto of "service above self" ever since.

Taylor was proposed for membership by Allen Dryden, Sr., the man who opened Kingsport's first architectural firm in 1920. Taylor took the Hardware classification for the club, replacing S. F. Dobyns, another charter member who along with Taylor's father had purchased both Kingsport Hardware and the hardware department of J. Fred Johnson's store to create Dobyns-Taylor.

"They were very restrictive on who they had at that time," Taylor remembers. "If you worked at a bank, you had to be the bank president. Eastman was allowed only seven people. Toy Reid (Eastman president) was in Rotary.

The founding fathers of Kingsport impressed upon him the importance of duty and responsibility. "In the first 25-30 years of Rotary, we had over 90 percent attendance. If you missed a meeting, they would call you that day or the day after and take you – and it was not an option – they would just pick you up and take you to make up your meeting at Johnson City or Gate City or wherever."

Taylor began having vision problems in his early 30s and is legally blind with only limited peripheral vision. He still often walks from his home to various downtown properties for work, and gladly does small tasks like picking up litter along the way,



Scott Robertson and Bill Derby Photo by Judd Shaw

or bringing fresh coffee to his staff in the morning. He also walks several miles to attend Dobyns-Bennett home football games. Taylor's family founded Dobyns-Taylor Hardware in Kingsport in 1919, and he has been involved in the business for more than 50 years. He has a long history of serving others while never seeking recognition for himself. Taylor was recently featured in the official centennial publication of the city of Kingsport, published by The Business Journal for his years of service.

Business Journal wins AABP Best Editorial Award

The Business Journal of Tri-Cities, TN/VA took the Gold Award for "Best Editorial: Small Publication" in the annual Alliance of Area Business Publishers competition for regional business publications. The awards presentation took place June 24 at the end of the AABP's three-day conference in Dallas.

Headquartered in Los Angeles, AABP is a nonprofit trade association representing independent magazine members in the United States, Canada and Australia. For the 26 categories of awards, publications submitted 483 entries which were judged by a panel of 19 faculty from the University of Missouri School of Journalism.

In awarding *The Business Journal of Tri-Cities, TN/VA* the Gold Award for Managing Editor Scott Robertson's June 2016 column, "Bristol, Va., learns Johnny Mandel was wrong" the judges wrote: "This entry taking Bristol, Virginia, to task for an ill-advised, ill-conceived shopping center is a masterpiece of well-paced persuasion. The editorial punches away at the city's folly with a chronology of facts that build a solid point of view. The piece is also an extremely entertaining read."

Publisher Bill Derby said, "It is a tremendous honor for Scott Robertson to receive this editorial award for our publication. His carefully crafted words hit home involving one of our communities. Scott's editorial generated the most hits and views on our website *Bjournal.com* and Facebook page in the history of the

magazine. The majority of the responses were in support of his views. That shows the relevance of his editorial and the judges certainly agreed."

Derby continued, "When you consider the quality of these publications across America and international business magazine industry, Scott's editorial competed against the best of the best in this association. It's a very special honor for our Business Journal and Scott Robertson. This was our first entry in the association and showcases the value top business magazine professionals place on publications of our size."

The Silver Award went to the *Hartford Business Journal* in Connecticut. The Gold Awards for medium and large markets went to *Virginia Business* magazine and the *Los Angeles Business Journal*.

"It is always our goal to deliver relevant news to the business community of Northeast Tennessee and Southwest Virginia in a consistent, compelling way," Robertson said. "This community deserves to hold its journalists to the highest standards, standards we strive to meet every day. We're grateful to the AABP for recognizing the work we and our peers across America do in service of our business communities."

MED BRIEFS

Construction begins on new Unicoi County Memorial Hospital

Construction has officially begun on the new Unicoi County Memorial Hospital. On Wednesday, July 26, hospital officials and local stakeholders gathered at the construction site for a groundbreaking ceremony and community barbecue to celebrate the milestone. The new hospital will replace the current Unicoi County Memorial Hospital, which originally opened in 1953. The facility will be built at 2030 Temple Hill Road, off of Interstate 26. It will have 20 total beds, inpatient acute-care services, as well as resources for increasing access to primary care. It will also include a 24-hour emergency department, standard and advanced diagnostics, a chest pain center, an area for community education and physician office space.

"Countless hours have gone into making this dream a reality, and we're excited to see the community's vision beginning to take shape," said Eric Carroll, administrator of Unicoi County Memorial Hospital.

A visioning committee made up of hospital leaders and community stakeholders helped to lead the early planning phases of the project, and after conducting due diligence and reviewing third-party research on rural hospital services, the visioning

SEE MED BRIEFS, 50



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"Omar has provided awning service to the General Morgan Inn for more than 10 years. Omar was great at working with us on scheduling around our hotel and Brumley's restaurant guests staying the evening with us during the entire project. The new awnings look great on our Historic Property in downtown Greeneville," said Bronson Winters, Director of Facilities for General Morgan Inn.







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BJ Departments

MED BRIEFS, CONTINUED

committee developed 10 guiding principles for the new hospital. According to those principles, the new hospital needed to be:

- Patient- and family-centered;
- Safe and efficient:
- Economically feasible;
- · Accessible and easy to navigate;
- Able to optimize resources;
- Flexible and adaptable;
- Supportive of advanced technology;
- Environmentally friendly;
- · Attractive to health care professionals; and
- Supportive of higher education.

With that vision in mind, the land purchase for the new hospital was finalized in July 2015, and the final plan for the hospital was unanimously approved by the Mountain States board of directors in February 2016. Earl Swensson Associates was selected as the architect and Layton Construction as the contractor, and in December 2016, the State of Tennessee granted Mountain States the certificate of need to build the new facility.

With the trend of rural hospitals closing, Alan Levine, president and CEO of Mountain States explained why his company chose to open a new one in Unicoi County. "We made a commitment to the community. What we have proposed to build is



Eric Carroll, AVP/administrator for Unicoi County Memorial Hospital, talks about the new facility and what it will mean to the community. Seated onstage (from left) are Alan Levine, Mountain States President/CEO; Dr. Joshua Puhr, Unicoi County Memorial Hospital; State Sen. Rusty Crowe, 3rd District; Gary Metcalf, Mountain States director for spiritual and pastoral care; and John Holsclaw, State Rep., 4th District.



a smarter physical plant. If you do some homework into what's called microhospitals, you see what we're building here. They're much smaller. They're focused on lower acuity patients where you can send your higher acuity patients to another hospital. Here you have emergency services, diagnostics, things that are really needed. We are building a smart model based on what we think the future of health care is going to look like."

Wellmont, Mountain Empire Community College agree to increase nurse pool

The number of nurses available in the Tri-Cities labor pool will increase as the result of an agreement signed last month by representatives of Holston Valley Medical Center and Mountain Empire Community College. The agreement, which becomes effective with the 2017 academic year, will allow the college to admit at least 20 additional nursing students each year.

"This collaborative approach between Holston Valley and MECC will help ensure we have a sufficient number of nurses well into the future," said Dr. Lisa Smithgall, who serves as Holston Valley's vice president of patient care services. "In focusing on serving our patients, we want a comprehensive succession plan to replace nurses as they complete their careers. Our agreement with MECC accomplishes our goal nicely."

Dr. Kathy Mitchell, who serves as dean of the Tricollege nursing program, said the collaboration between Wellmont and



Dr. Kathy Mitchell, dean of the Virginia Appalachian Tricollege Nursing Program, left, and Dr. Lisa Smithgall, vice president of patient care services at Holston Valley Medical Center, sign ceremonial documents during a July 19 news conference.

Photo by Scott Robertson

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MED BRIEFS, CONTINUED

MECC will benefit the region.

"For a long time, health care professionals throughout the country have talked about the shortage of registered nurses and the need to strengthen the pipeline of students choosing this field as a career," she said. "We are excited to have developed this expansion of the Virginia Appalachian Tricollege Nursing Program at MECC so we can continue to meet patients' needs in our area.

"Our approach of offering admission to students who can complete their coursework and clinical education in the evenings and during the weekend will provide schedule flexibility that will allow them to still take care of their other work or personal responsibilities."

These students will receive priority consideration for nurse technician positions and registered nursing positions at Wellmont facilities. The health system will also endeavor to offer job commitments to students during their final two semesters.

"Our nurses play an essential role in the health and well-being of our patients, and we are excited to have found another avenue to encourage those who are interested in entering this noble profession," said Tim Attebery, Holston Valley's president. "MECC has been a valuable contributor of qualified nurses to facilities throughout our organization, and we welcome this opportunity to work further with the college to enhance our region's quality of life."





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Want new jobs? Eliminate the state income tax in Southwest Virginia counties

By Will Morefield, Virginia House of Delegates



Over the last 50 years, the economy in most of rural America has been in steady decline. Specifically, Virginia's coalfields and surrounding counties have experienced a mass exodus of industry and population. Some localities have lost nearly 50 percent in population. The reasoning for such a decrease has been and will continue to be debated by economist and politicos. Either way, the actual loss is reality.

Since becoming a member of the Virginia legislature, I have worked with Democrats and Republicans from around the Commonwealth who care deeply for the well-being of their constituents. It's interesting how the role of a legislator has morphed from being one of making laws to the world of today with one serving in the role of "economic developer." Our federal and state governments were not created to be in the business of doing business. Yet because of the very political system we have molded, it is now the responsibility of the government to resolve the economic conditions it has created.

The economic crisis of the coalfields and other rural areas in Virginia continue to spiral downward while the economy and population rates improve in other areas of the state. Such improvements have resulted in a recent state revenue surplus of roughly \$132 million as announced in early July of this year. Federal spending and Northern Virginia's dependency on federal government contracts will continue to serve as an economic stimulus for now with Virginia's overall economy benefiting. This will improve the Commonwealth's total revenues collected and unemployment rates, but will have little impact on the economy in most of Virginia's depressed localities.

Virginia's poorest localities need help and they need help on a scale never seen before – not a stimulus package of federal or state funding to localities, but the adoption of significant policy reform to encourage residents to stay in their respective locality and to attract new industry and new residents. The federal and state government increasing additional funding for local school systems or improving the highway system is not unique enough to resolve this devastating economic crisis.

It is an unfortunate statement, but at this point greater government intervention is the only viable alternative. Conservatives claim that government should take a hands-off approach to economics. What if they did? Would no government intervention resolve the economic crisis in rural America? Most likely not. Liberals will claim that more funding should be spent on infrastructure, education, and workforce training in economically depressed

areas. Will high-speed Internet, more teachers, and training a workforce for jobs that are not available solve the economic crises in rural Virginia? Most likely not. Is the Commonwealth willing to spend hundreds if not billions of dollars that it claims to not have on such rural initiatives? Most likely not.

What is the solution? Jobs.

Creating jobs and redefining the economy in rural areas is the only solution to resolving the economic crisis in Virginia. The poorest counties in Virginia require more than the status quo for economic development and a significant change in policy is required to make this happen. I will be filing legislation that will exempt all residents and corporations in some of Virginia's poorest counties from personal and corporate income tax for a period of ten years. Business leaders from across Southwest Virginia's coalfields are confident this will make a significant impact on encouraging our residents to stay and will encourage new industry to locate to rural areas of Virginia. The coalfields and other rural counties have suffered long enough. We are currently working with professionals and legislative staff to establish a formula to qualify those counties while remaining aware that such a plan be fiscally sound for the entire Commonwealth. The qualifying formula will take in to account information such as population and poverty data. Most of the coalfield counties would more than likely qualify.

For example, Buchanan County lost half of its population in the past fifty years. Buchanan County is also now one of Virginia's poorest localities. There is a direct correlation between population loss and poverty. Under the current proposal, sales tax would remain and localities would have the ability to continue taxing property. Currently, most of the revenues generated in Virginia derive from state income tax and a significant percentage is contributed from Northern Virginia. Exempting both personal and corporate income tax to all residents and corporations in some of the poorest counties would have a minimal impact on the overall state budget according to officials. Such a policy would serve as a significant incentive for companies to locate there, encourage residents from leaving, and attract new residents.

Government taking a hands-off approach, free health care, free college education, high-speed Internet and highways are all creative ideas, but those alone will not save some of the poorest regions of the country. The economic challenges of rural Virginia are significant and will become an even larger burden to the Commonwealth if not addressed on a major scale. Can the more affluent areas of Virginia not afford to help some of the poorest localities and people of Virginia?

Will Morefield of Tazewell is a Republican who has served in the Virginia House of Delegates since 2010. He can be reached at delegatemorefield@gmail.com or at 276.345.4300.



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