Leading for Impact:
Ballad Health's Care Model for Managing Uninsured Patients as a Value-Based Population

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Introduction to the Appalachian Highlands Care Network (AHCN)

Federal cuts to Medicaid from the 2025 budget reconciliation law (H.R.1) are expected to increase uncompensated care by $278 billion over the next 10 years.[1] Estimates indicate that these cuts will disproportionately affect rural communities due to higher proportions of Medicaid coverage loss and increased hospital closures, with $50 billion in Rural Health Transformation Program (RHTP) funding doing little to offset these impacts.[2]

Ballad Health, a 20-hospital health system operating in the rural Appalachian region across KY, NC, TN, and VA, has developed a solution for reducing uncompensated care through their Appalachian Highlands Care Network (AHCN). Aligned with Ballad's goal of becoming a model Community Health Improvement organization, AHCN is a multi-pronged care model focused on improving outcomes for uninsured patients through the lens of value-based care. The program leverages community health workers (CHWs) and community health navigators, along with a network of community-based organizations (CBOs) and safety-net clinics, to manage care for patients with varying acuity levels. Launched in 2021, AHCN now operates across all of Ballad's hospitals and every Ballad Health Medical Associates primary care office.

AHCN By the Numbers *(as of April 2026)*

~13,000
Total enrollees across the network

34%
of enrollees considered complex cases

1,500
New enrollees added in FY26

Launching AHCN: "Broker" vs. Build Approach

Understanding that rural populations are often hard to reach, Ballad Health relied on a network of community partners to understand where the health system could optimally deploy their resources to fill in infrastructure gaps.

Patient Identification & Enrollment	Regional Care Network Expansion	Social Care Integration
■ After finding cold outreach via telephone to be ineffective, co-located CHWs and community navigators directly within trusted community partner organizations to enroll eligible patients. ■ Later added an additional enrollment mechanism of allowing self-referrals from CBO partners	■ Expanded access to primary care by tapping into each region's existing free clinic infrastructure ■ Partnered with **Project Access**, a non-profit organization, to expand access to low- and no-cost specialty care across a network of independent specialists ■ Removed barriers to access for all Ballad Health services by allowing seamless referrals through AHCN	■ Participation in a closed-loop referral network through the **UniteUs** platform, connecting patients to regional agencies addressing social and behavioral needs (e.g., transportation, food, behavioral health)

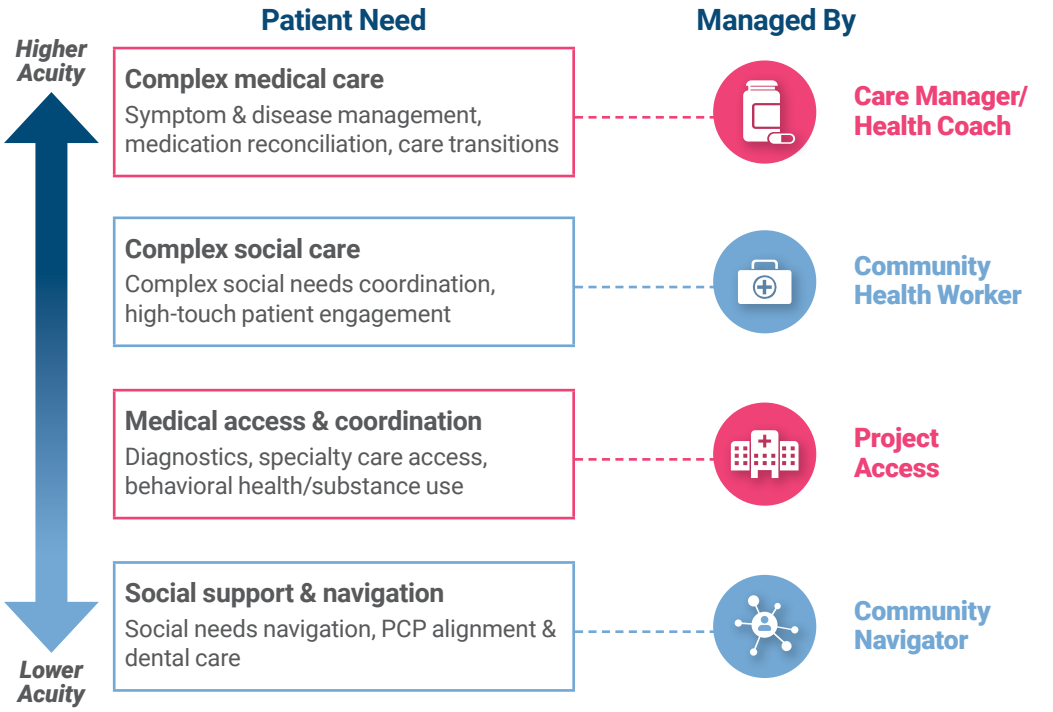
"Whenever you're starting a new program, it's important to first ask what existing resources there are inside or outside the system you're working in. In a situation like this, we try not to duplicate existing resources but to partner with and, to the degree possible, better empower those resources."

- Todd Norris, Chief Population Health Officer, Ballad Health

1. Blavin, Fredric, May 2025. Reconciliation Bill and End of Enhanced Subsidies Would Cut Health Care Provider Revenue and Spike Uncompensated Care | Urban Institute
2. Ku, L., et al. June 2026. Re: H.R. 1 Funding Cuts Will Overshadow Gains from Rural Health Program | Commonwealth Fund

Program Design: Matching Care Intensity to Patient Need

AHCN addresses upstream drivers of uncompensated care by proactively managing uninsured patients as a "full-risk" value-based population, with a primary focus on expanding access to primary care to reduce the need for high-intensity, costly inpatient care. The eligible population includes Northwest Tennessee or Southwest Virginia residents living within a 21-county service area that either lack access to health insurance or have income below 225% of the federal poverty level (FPL).



Continued monitoring and ongoing assessment

Escalation & de-escalation pathways are available to re-engage patients in active services as needs change.

AHCN matches staffing intensity to the complexity of each participant's needs. Although the program began with a high-fidelity CHW model, low panel sizes and CHW certification costs made it financially unsustainable to deploy this workforce at scale. In response, AHCN introduced community health navigators—a complementary, similarly trained role—to support lower-acuity patients. CHWs now focus on the highest-need, most complex cases, transitioning patients to navigators as needs stabilize, or handing off to other roles within the system (e.g., care managers for recovery support) as appropriate. Rather than graduating high-needs patients from the program, AHCN redeploys them into a monitoring program as acuity shifts, avoiding costly "yo-yoing" in and out of the system.

Program Outcomes (as of April 2026)

Since most participants are uninsured, AHCN does not generate direct revenue for Ballad Health. Instead, the value of the program is in its downstream impact on resource savings elsewhere in the system that offset program costs—preserving inpatient capacity and shifting utilization away from medically inappropriate, higher-cost care (e.g., avoidable ED visits) toward more appropriate, lower-cost settings (e.g., outpatient care).

32%	28%	55%	$2.49–$3.42
reduction in total cost of care	**reduction in preventable IP utilization**	**increase in medically necessary OP care**	**returned per $1 invested**

Lessons Learned

1

For high-fidelity programs managing complex patient social and medical needs, consider where workforce & resource constraints may hinder program scalability.

The high-touch nature of these programs in addition to CHW certification costs posed barriers to scaling a CHW-dependent program. To address this, Ballad Health introduced a more cost-effective, tiered staffing strategy—leveraging a complementary workforce of community navigators, existing health system employees (e.g., care managers), and external partners (e.g., Project Access) to manage patients based on specific needs and acuity.

2

Leverage trusted CBOs' existing grassroots relationships with community members to encourage program participation.

Health systems should not rely on their own communication channels to engage hard-to-reach populations in rural markets. Ballad Health found that a call center, cold outreach-based approach was ineffective. In contrast, an embedded enrollment approach where CHWs & community navigators engaged rural community members in trusted CBO settings was highly effective in increasing program enrollment.

3

A value-based approach to managing uninsured populations can be an impactful strategy for health systems to proactively mitigate the impending uncompensated care crisis.

Uninsured patients are often viewed as an unavoidable source of financial strain for health systems. Ballad Health shows that a value-based care approach to managing this population—focusing on a "three-legged stool" of managing health-related social needs, healthcare access, and chronic disease management—represents a unique opportunity to reduce uncompensated care while increasing resource efficiency for the system.