

BOSTON – July 13, 2017 – The Beth Israel Deaconess system, Lahey Health, New England Baptist Hospital, Mount Auburn Hospital and Anna Jaques Hospital today announced they have signed a Definitive Agreement to create a new high-quality, lower cost regional health system committed to delivering extraordinary care to patients throughout Eastern Massachusetts. The Definitive Agreement is an important next step in finalizing the affiliation, which was first announced in January with the signing of the non-binding Letter of Intent.

The Definitive Agreement reflects the organizations' shared commitment to innovative patient care delivery, research and medical education; while keeping care in the community whenever possible for the benefit of patients and their families and increasing access to specialty care at tertiary hospitals when needed.

"Our new system will offer patients extraordinary care in the most convenient location, supported by world class research and medical education," said Kevin Tabb, MD, CEO of the Beth Israel Deaconess system and CEO of the new system. "In addition, the new system will strengthen our ability to make the investments in our facilities, technology and people that will help ensure our continued success. Together, we will improve patient care, help contain rising health care costs, and better position our member hospitals in a rapidly changing health care environment."

The new system will include 13 hospitals (including eight community hospitals), more than 800 primary care physicians, and more than 3,500 specialists. It will offer patients comprehensive, coordinated care across complementary geographies. Three quarters of all patients in Eastern Massachusetts will have a primary care physician affiliated with the new system within five miles of their home.

The hospitals in the new system will retain their names and licenses under a strong, central parent organization. A system board will provide governance for the new organization; each hospital will remain a non-profit institution with its own boards, leadership team and clinical staff. All members of the new system will maintain their existing research and medical education programs. The new system also intends to bring together the expertise and resources of three accountable care organizations: Beth Israel Deaconess Care Organization, Lahey Clinical Performance Network, and Mount Auburn Cambridge Independent Practice Association.

"There is a clear need for a cost-effective alternative health system in Massachusetts," said Ann-Ellen Hornidge, Chair of the Board of Trustees of Lahey Health and Chair of the Board of Trustees of the new system. "We are creating a strong new health system that focuses on what patients and their families rightfully deserve -- a commitment to the highest level of care and clinical innovation at lower costs, with convenience of access for patients and their families. We are confident that our new system will have a positive impact in terms of health outcomes, patient satisfaction and cost containment, benefiting our patients and their families, our communities, employers, and the Commonwealth of Massachusetts."

The proposed new system will be reviewed by federal and state regulators. During the review process, the member hospitals of the new system will continue to operate independently.