

**From:** [Marcus Michael](#)  
**To:** [DPH-DL - DoN Program](#)  
**Cc:** [Meehan Colleen](#)  
**Subject:** DON Application-Berkshire Health Systems, Inc. #BHS23072710-OL  
**Date:** Monday, November 6, 2023 12:19:36 PM  
**Attachments:** [Outlook-v4wxvxn.png](#)

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Email to: [DPH.DON@State.MA.US](mailto:DPH.DON@State.MA.US)

Copy: Colleen Meehan

Subject: DON Application-Berkshire Health Systems, Inc. #BHS23072710-OL

Due by November 6<sup>th</sup> (Monday)

Mr. Dennis Renaud, Program Director  
Determination of Need Program  
Massachusetts Department of Public Health  
67 Forest Street  
Marlborough, MA 01752

Dear Mr. Renaud:

Thank you for allowing written testimony on this topic. My name is Michael Marcus. I have had the pleasure of working for Integritus Healthcare for the last 12 years as an Administrator and Regional Director of Operations. I've been in Healthcare Operations my entire career, spending the last 20 years working with organizations in MA and CT. I've had the fortune of knowing and working with leaders and staff members from our Berkshire Homes during my time with Integritus, and currently oversee operations of Mt. Greylock, North Adams and Williamstown Commons.

I was initially very excited to hear of the plans to re-open North Adams Regional Hospital. North County is lacking primary care physicians, physician extenders, behavioral health services (including, but not limited to substance abuse treatment), urgent care and home care services. I see the struggle of North Adams and Williamstown on a daily basis and the challenges they face trying to manage with limited resources, often sending residents into Vermont to get the services they need.

My concern with the hospital is the number of swing beds that are being looked at. What North County doesn't need is more skilled nursing beds. Skilled nursing facilities depend on our Medicare revenue to survive. We are underfunded for many of our residents and the S/T population we have helps us stay in operation. I believe the DON application, if approved, would allow North Adams Hospital the use of 18 swing beds. We average 30 Medicare residents between North Adams and Williamstown and this would devastate our business, effectively depleting the revenue necessary to reinvest in the staff, the environment, and the services necessary to continue to operate those two skilled nursing facilities.

Thank you for listening to my concerns, as I would love to see the hospital open, just not at the expense of the two nursing facilities that service the area. I am simply asking to limit the number of swing beds that NARH can access and use to 2 versus the current allowable number 18.

Thank you so much for listening,

Mike

Michael Marcus  
Regional Director of Operations  
Integrity Healthcare  
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November 6, 2023

Mr. Dennis Renaud, Program Director  
Determination of Need Program  
Massachusetts Department of Public Health  
67 Forest Street  
Marlborough, MA 01752

Re: DoN Application-Berkshire Health Systems, Inc #BHS23072710-OL

Via Email: [DPH.DON@State.MA.US](mailto:DPH.DON@State.MA.US)

Dear Mr. Renaud:

My correspondence is to provide written testimony about the DoN Application from Berkshire Health Systems (BHS23072710-OL) as it relates to proposal to institute swing beds at North Adams Regional Hospital. As a Nursing Home Administrator in Massachusetts for almost 30 years, I wanted to share my perspective on this proposal and the impact it could have on those already existing providers in that marketplace.

Upon reviewing 105 CMR 100.001, it is my understanding that 'the purpose and objective of 105 CMR 100.00 is to encourage...the development of innovative health delivery methods and population health strategies within the health care delivery system to ensure that resources will be made reasonably and equitably available to every person within the Commonwealth at the lowest reasonable aggregate cost advancing the Commonwealth's goals for cost containment, improved public health outcomes and delivery system transformation'. That said, I understand that the proposal from Berkshire Health Systems includes the introduction of up to 18 swing beds at North Adams Regional Hospital. These swing beds would offer a service that is already provided within the North Adams community by North Adams Commons Nursing and Rehabilitation Center, a CMS 4-star facility, and Williamstown Commons Nursing and Rehab, which recently completed their annual survey with results that are better than the Commonwealth and national averages. With two excellent providers of skilled nursing and rehabilitative services already offering reasonable and equitable access in the North Adams community, I do not see how adding up to 18 swing beds to North Adams Regional Hospital will improve the public health outcomes and delivery systems in Northern Berkshire County.

Furthermore, it is my understanding from this proposal that the hospital would receive reimbursement of allowable cost plus a 1% profit; however, it is my understanding that the goal of a DoN is to provide service at the 'lowest reasonable aggregate cost' and 'advancing goals for cost containment'. Therefore, I am at a loss to understand how it is acceptable to grant Berkshire Health Systems' proposal, which could provide reimbursement more than cost based on the hospital's critical access designation, meets the cost containment tenet of a DoN application. As a Nursing Home Administrator, I am challenged daily with providing quality care in a reimbursement environment where Medicaid reimburses our Center \$40 to \$50 per patient day below cost to care for their members and Medicare's consolidated billing model requires facilities to pay for all services provided to Medicare recipients. In addition to being challenged with rising vendor costs, the cost of labor is adding additional burdens to those in our industry. Many


facilities, including those in Northern Berkshire County, rely on the use of outside agencies to provide care and services in those markets, at a rate higher than the market rate for routine staff, which further drives up our costs. The vacancy rates within skilled nursing facilities across the Commonwealth are higher than in past reporting periods and Northern Berkshire County is no different with a 64% vacancy rate for CNA's and 28% vacancy rate for licensed staff. With these statistics, I am not sure how Berkshire Health Systems will fill their staff vacancies without impacting North Adams Commons and Williamstown Commons, who are already operating in an environment that provides services at the lowest reasonable aggregate cost.

Based on the hospital's critical access designation, North Adams Regional Hospital would be able to pay wages higher than North Adams Commons and Williamstown Commons to attract staff and be reimbursed at their cost, which is not an option currently afforded to North Adams Commons or Williamstown Commons. If this proposal granting North Adams Regional Hospital the ability to designate up to 18 swing beds in the area is approved, it could destabilize the current health care landscape in the North Adams community, which already experienced a skilled nursing center closure in 2020 when Sweet Brook shuttered its doors. As we have seen in other markets where hospital swing beds were previously granted, such as Fairview Hospital in Great Barrington, skilled nursing facilities in those communities have been impacted. In some instances, such as the case in Great Barrington, the situation contributed to facilities having to make the difficult decision to close and displace residents and staff. While this might seem like an extreme example, it is very much a reality that we face in our industry in many markets across the Commonwealth and North Adams is no different.

While I am sure that the revitalization of North Adams Regional Hospital is a priority for Berkshire Health Systems, may I ask if a community health needs assessment has been completed to determine what services are needed and viable in the North Adams community? While I am sure that there are assorted opportunities for health care related services that could benefit Northern Berkshire County, I do not see how the implementation of 18 swing beds for services already provided within the community by high quality providers will improve access to residents of these services to the community's residents at an even lower aggregate cost level than is already being provided.

Thank you for the chance to provide this testimony and my insight into the impact granting the swing beds at North Adams Regional Hospital could have on the community. I am sure that the committee will make the best decision that is in the best interest of the North Adams community.

Sincerely,

  
Jeffrey N Heinze  
Administrator

## Ellen Beckwith, RN, Fairview Hospital

My name is Ellen Beckwith and I am a registered nurse at Fairview Hospital. I have worked here as a nurse for 22 years.

The Swing program at Fairview has been an important and welcome addition to our community hospital, offering the comfort and familiarity of a community hospital setting while providing sub-acute care to Medicare patients who require further services after an acute hospital stay. Fairview Hospital provides a multidisciplinary team approach to care for our Swing patients. Our team provides physician management, physical, occupational and speech therapy, respiratory therapy, skilled nursing care, IV infusion, wound care, case management and nutritional and disease management education. This care is invaluable to assist patients to transition home safely.

Patients come into our Swing program for multiple reasons. Many patients are post operative after joint replacement and need extra time to meet physical and occupational therapy needs. Some patients require time to learn how to manage their medical diagnosis of CHF or diabetes. Still others require complex wound or ostomy care or long term intravenous antibiotic therapy. All have an established goal and need for working with a skilled team. Many of our patients transition to Swing from acute patient status at Fairview but we have had many patients from other facilities including BMC and Baystate.

Our goal is to get each patient stronger and in the best position possible to care for themselves independently. The nursing and multidisciplinary team develops a plan to assist the patient with meeting this goal. Creating a care plan that is individualized and reassessed based on patient progress is an important aspect of the care. Family and interdisciplinary meetings occur weekly and care plans are adjusted as required. The change to wellness is closely documented and we can measure the progression clearly. The length of stay depends on meeting individual patient goals.

Our patients tell us that the Swing Bed experience is a positive one. We are in a rural area with few skilled rehab facilities so having this option is very helpful to patients. This program allows them to get care locally and to stay closer to home.

I am proud that we are able to provide this important level of post-acute care to patients in South County and strongly support the inclusion of swing beds in the new North Adams Regional Hospital without restrictions or conditions.

November 6, 2023

Mr. Dennis Renaud, Program Director  
Determination of Need Program  
Massachusetts Department of Public Health  
67 Forest Street  
Marlborough, MA 01752

Subject: DON Application-Berkshire Health Systems, Inc. #BHS23072710-OL

Dear Mr. Renaud:

Thank you for allowing written testimony on this topic. My name is Nicholas Lausier. I was raised in New England and have worked in healthcare for the past 18 years serving people across The Commonwealth. I have been a Nursing Assistant, Admissions Director, Regional Director of Sales, Administrator-In-Training, Nursing Home Administrator and now Regional Director of Operations at Integritus Healthcare, who serves more than 2,300 individuals and employs more than 3,000 staff across Massachusetts. I have had the pleasure of working with many hospital partners across the State and the continuum of care as we shift from a fee for service industry to one grounded in high value with sustainable costs.

I was thrilled to hear of the plans to re-open North Adams Regional Hospital (NARH). North County is lacking primary care physicians, physician extenders, behavioral health services (including, but not limited to substance abuse treatment), urgent care and home care services. Today, many of these services are provided over the state line. As a matter of fact, the medical directors of both North County Skilled Nursing Facilities work out of a practice in South County, an hour away (Suburban Medical).

What North County doesn't need is more skilled nursing beds. In 2020, Sweet Brook, a skilled nursing facility, closed due to low occupancy, particularly in the Medicare payor category. Skilled nursing facilities depend on this source of revenue to off set the \$40.00 per patient day shortfall we receive from Medicaid (which is 70%-80% of the total revenue for most MA SNFs). Oddly enough, this closure did not result in a lack of skilled nursing services in North County at all. The combined average daily census for Medicare in the two remaining skilled nursing facilities (SNFs) in Northern Berkshire County is (and has been) approximately 30 patients (using Medicare benefit). As I understand the DON application, if approved would allow NARH the use of 18 swing beds, which would effectively deplete the revenue necessary to reinvest in the staff, the environment, and the services necessary to continue to operate those skilled nursing facilities.

I'm sure most residents of Northern Berkshire County don't realize this complication and the hardship it will cause as it relates to travel for skilled nursing needs. The other complication that is being under-stated is the vacancy rate for nursing and ancillary staff in Northern Berkshire County. It often takes several days for a nurse to be able to assess a resident in their home after discharge. Knowing this is not ideal, I assume there are vacancies in home care. The current vacancy rate in skilled nursing in northern Berkshire County for certified nursing aides (CNAs) and licensed nurses are 64% and 28% respectively, and 52% and 42% respectively in all of Berkshire County. For Integritus, this translates into needing to recruit 57 FTE's of certified nursing aides and 12 FTE's of licensed nurses to our skilled nursing facilities in Williamstown and North Adams. As a result of the reality that the skilled workforce is not available, Integritus currently employs several traveling nurses (C.N.A.s, LPNs and RNs) from other states who charge a premium of 70% or more with a cost of \$3.7M for the two northern Berkshire skilled nursing facilities. This is not sustainable for any length of time.

I'm honored to have seen Integritus Healthcare fund hundreds of CNAs and nurses over the years. Currently we continue to make considerable efforts to invest in the pipeline for CNAs and licensed staff (most notably our collaboration with McCann Technical School and our program to pay for class time as worked time, our support of the new MCLA nursing program and our long-term partnership with Berkshire Community College). These efforts take money and time to bear

fruit and it is unclear how we will gain traction from these and other strategic efforts to recruit and retain staff in an environment that includes critical access designation only to the new acute care hospital. Frankly, I'm sure this new paradigm will likely provide an incentive for existing Integritus staff to migrate to the CAH.

I can't say as I would blame them. The hospital's critical access designation will provide it the ability to receive reimbursement for allowable costs plus a 1% profit. This creates an opportunity for the hospital to pay wages that exceed what nursing homes can pay based on their reimbursement. This inequity, despite the acute and post-acute providers serving the same geography, provides the hospital an advantage in wages that will create incentives for our existing staff to migrate to the hospital for employment. I believe it will also destabilize the services at Williamstown Commons and North Adams Commons creating recruitment and retention challenges in an already challenging landscape.

At the heart of value-based care models, the future of healthcare being driven by CMS, is well coordinated, person centered care, in the right place, at the right time. For many, recovery can be done at home; for some, recovery in skilled nursing is the right place at the time. While we know most do not ever want to live long term in a skilled nursing facility, most are relieved this service is available when they need it. The existing plan to use 18 swing beds as skilled nursing beds at any given time will add to overall healthcare costs by retaining patients in a hospital setting instead of discharging them to a lower cost community setting, or a skilled nursing facility.

**Please appreciate I'm not motivated to stop the reopening of NARH. I'm motivated to assure services are not duplicative and aimed at filling the existing gaps in the healthcare delivery system in Northern Berkshire County. As such I would ask the following of the Determination of Need program:**

- 1. Limit the number of swing beds that NARH can access and use to 2 versus the current allowable number 18.**
- 2. Impose a 2-year moratorium on recruiting our staff by requiring NARH to staff with agency nursing so the labor market is not destabilized.**
- 3. Ask for a community health needs assessment to be completed.**

Thank you for your consideration.

**Thank you,  
Nick Lausier**

**Nicholas F. Lausier, LNHA  
Regional Director of Operations**

Integritus Healthcare  
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Cell: (603) 762-3246

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Dennis Renaud, Program Director  
Determination of Need Program  
Massachusetts Department of Public Health  
67 Forest Street  
Marlborough, MA 01752

**Re: DON Application – Berkshire Health Systems, Inc. #BHS23072710-OL**

Dear Mr. Renaud:

My name is Gary Sacon, I have spent my entire career working in Long-term Care finance, First, as an auditor and subsequently spent 25 years as Chief Financial Officer for a provider of Skilled Nursing, Home Health, Hospice, Assisted Living and Seniors housing in central Massachusetts. In April of 2022 I had the honor of taking the position of Chief Financial Officer for Integritus Healthcare Systems, Inc. Integritus, headquartered in Pittsfield, MA, is the largest not-for profit provider of skilled nursing care in The Commonwealth of Massachusetts serving more than 2,300 people and employing more than 3,000 staff. In the process of accepting this role my family has relocated and we are happy to now call the Berkshires home.

As you know in June of this year Berkshire Health Systems (BHS) announced plans to re-open 25 inpatient beds at North Adams Regional Hospital under the Critical Access Hospital designation. Like most residents in the Berkshires, I think this will be a wonderful addition to northern Berkshire County and am happy to see the expansion of acute-care services in that area. However, in my professional role I also know that as presently planned this re-opening will have significant negative consequences for other components of a fully functioning health care continuum. Broadly, there are two areas of concern. First, this critical access designation will allow BHS to designate some of the inpatient beds as skilled nursing beds. These so-called swing beds will reduce patient volume at surrounding skilled nursing centers that already struggle in this relatively remote area. Further these patients would typically be paid for in the snf setting by Medicare. These patients are critical to the viability of the skilled nursing providers as we rely on Medicare payments to offset significant under funding from the Medicaid program. In 2022 alone the two skilled nursing centers run by Integritus in Northern Berkshire County were underfunded by the Medicaid program by \$4.7M. This funding gap is also the source of my second area of concern. The facilities operated by Integritus in Northern Berkshire County already have significant staffing vacancies, often we rely on high-cost travel nurses to fill needed positions. Re-opening the acute care hospital will only exacerbate this issue. Compounding this issue under the CAH designation North Adams Regional will be reimbursed at cost plus a guaranteed profit of 1%. This gap of one facility being guaranteed profit while others are underfunded by nearly \$5M per year creates an impossible situation and I fear Integritus, and others will not be able to provide quality nursing home care with such a stark competitive disadvantage in retaining staff.

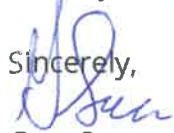


To summarize, there are already more than enough skilled nursing beds in Northern Berkshire County and there is a serious staffing shortage as well. As proposed the North Adams Regional re-opening will only worsen this situation. While I would like to reiterate my support for this re-opening, I ask that it be done with the following conditions.

1. The Determination of Need program should limit the number of swing beds available at NARH to 2.
2. Impose a two-year restriction on NARH soliciting nursing staff from other area healthcare providers.
3. Engage an independent consultant to complete a community health needs assessment focusing on the impact of the re-opening across the healthcare continuum.

Thank you for your time and consideration.

Sincerely,



Gary Sacon

**From:** [Elisabeth Daley](#)  
**To:** [DPH-DL - DoN Program](#)  
**Cc:** [Filaine Deronnette](#); [Dana Alas](#); [Nicole Foote](#)  
**Subject:** 1199SEIU TTG comments  
**Date:** Monday, November 6, 2023 2:49:03 PM  
**Attachments:** [Public Hearing Comments 11.6.23.docx](#)

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November 6, 2023

Dennis Renaud, Director  
Determination of Need Program  
Massachusetts Department of Public Health  
67 Forest St.  
Marlborough, MA 01752

By email to [DPH.DON@State.MA.US](mailto:DPH.DON@State.MA.US)

Re: Determination of Need (DoN) Application #BHS-23072710-OL

Dear Mr. Renaud,

1199SEIU represents more than 80,000 healthcare workers in hospitals, long-term care facilities, and who provide homecare in Massachusetts. Among these workers are more than 50 who are employed by Berkshire Health Systems at the North County sites in North Adams. Some of these individuals were formerly employed at the North Adams Regional Hospital.

We are very pleased that a federal rule change has enabled NARH to qualify as a Critical Access Hospital and hope that the reopening of NARH will result in improved healthcare services to patients in this geographic area.

1199SEIU has had extensive discussion with Berkshire Health leadership and has reached a mutual understanding of the role of our Union at the re-opened NARH and other Berkshire Health facilities going forward. We are very pleased to continue to represent the current workers at Berkshire Health North and look forward to working with our members and Berkshire Health management as the new NARH is opened. We are in support of a new license for this facility.

Thank you for your consideration of our comments.

Elisabeth L. Daley  
on behalf of the 1199SEIU Ten Taxpayer Group

November 6, 2023

Dennis Renaud, Director  
Determination of Need Program  
Massachusetts Department of Public Health  
67 Forest St.  
Marlborough, MA 01752

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Thank you for your consideration of our comments.

Elisabeth L. Daley  
on behalf of the 1199SEIU Ten Taxpayer Group