

Memorandum to the Commissioner

APPLICANT: Beth Israel Lahey Health, Inc.

PROJECT NUMBER: Beth Israel Lahey Health, Inc. - Northeast Hospital Corporation d/b/a Beverly Hospital - Emergency Application (DoN Application # BILH-24060314-EA)

Filing Date: June 6, 2024

Introduction

This memorandum presents, for Commissioner's Review and action, the Determination of Need (DoN) Program's recommendation pertaining to a request by Beth Israel Lahey Health, Inc. ("the Applicant") for an Emergency DoN pursuant to 105 CMR 100.740. The Applicant seeks to add thirty-six (36) inpatient psychiatry beds (20 adult and 16 pediatric), which are currently operated/licensed by Anna Jaques Hospital (AJH), to the Beverly Hospital (Beverly) license.

The total value of the Proposed Project is \$0.00. There is neither Community Health Initiative (CHI) contribution nor a DoN filing fee required for an Emergency DoN.

1. Nature of the Emergency

AJH is unable to continue providing the behavioral health inpatient services currently operated by AJH. In the past 30 days, BILH has identified the following issues, which are interconnected and have created an emergency situation:

- A material operational loss impacting AJH,
- An urgent and costly ongoing physical plant issue at a campus of Beverly Hospital as a result of two local natural disasters (floods) which has taken a significant number of behavioral health beds offline. Due to the offline behavioral health beds, action must be taken quickly to allow for administrative processes to include additional Medicaid volume in advance of the end of the hospital fiscal year after the local natural disasters caused a shortfall in Medicaid volume that could rapidly impact Beverly's ability to serve low-income and uninsured patients as a result.

These factors require the Applicant to act quickly in order to avoid the closure of these behavioral health services and prevent a behavioral health access crisis in the northeast region of the state. By expeditiously transitioning the operation of these inpatient psychiatry beds to Beverly, the Applicant is seeking to ensure that its current capacity of 20 adult and 16 pediatric inpatient psychiatry beds on the AJH campus are able to be maintained in a fiscally prudent and operationally efficient manner. If approved, the Proposed Project would result in 0 behavioral health beds on the AJH license and add 36 behavioral health beds to the Beverly license (for a total of 136 behavioral health beds on the Beverly License).

2. Identity of The Applicant

Beth Israel Lahey Health, Inc (Applicant) is an integrated health care delivery system of teaching and community hospitals, physician groups, behavioral health providers, post-acute care providers and other caregivers serving patients in Greater Boston¹ and the surrounding communities in Eastern Massachusetts and Southeastern New Hampshire. Its member hospitals include Addison Gilbert Hospital; Anna Jaques Hospital; Beth Israel Deaconess Medical Center; Beth Israel Deaconess Hospital-Milton; Beth Israel Deaconess Hospital-Needham; Beth Israel Deaconess Hospital-Plymouth; Beverly Hospital; Exeter Hospital; Lahey Hospital & Medical Center; Lahey Medical Center, Peabody; Mount Auburn Hospital; New England Baptist Hospital; and Winchester Hospital.

Beverly Hospital is a 337-bed Massachusetts non-profit community hospital that provides compassionate healthcare ranging from primary and preventive care, behavioral health care, and specialty services. As a multi-campus hospital, care is delivered by Beverly at its main campus located at 85 Herrick Street in Beverly, MA (“Beverly Hospital”), a second acute care hospital campus located at 298 Washington Street in Gloucester, MA (“Addison Gilbert Hospital”), and a freestanding psychiatric hospital located at 60 Granite Street in Lynn, MA (“BayRidge Hospital”). Beverly Hospital operates one hundred (100) inpatient psychiatric beds comprised of: (i) an 18-bed adult unit for medically frail psychiatric patients on its main campus at 85 Herrick Street in Beverly, MA (“Leland”); (ii) a 20-bed NICHE-designated (Nurses Improving Care for Healthsystem Elders) psychiatric unit which provides care to seniors with acute psychiatric symptoms and/or substance use disorders at the Hospital’s campus at 298 Washington Street in Gloucester, MA (the “Senior Adult Unit”); and (iii) a 62-bed adult psychiatric hospital providing treatment for psychotic and affective disorders as well as dual diagnosis (mental health and substance use disorder) at the Hospital’s campus at 60 Granite Street in Lynn, MA (“BayRidge Hospital”).

Anna Jaques Hospital (AJH) is a 119-bed community hospital. AJH offers cancer care, emergency medicine, hyperbaric medicine, inpatient behavioral health, interventional pulmonology, orthopedics, pain management, radiation oncology, as well as Women’s Health and OB/GYN care. Its service area includes cities and towns in the Merrimack Valley and North Shore, regions of Massachusetts, as well as Southern New Hampshire. The Hospital is a DPH-designated Primary Stroke Service, providing 24 hours a day, 7 days a week care to patients experiencing stroke and stroke symptoms.

3. Proposed Project: Nature, Scope, Location, and Projected Costs

The Proposed Project is to add thirty-six (36) inpatient psychiatry beds (20 adult and 16 pediatric), which are currently operated/licensed by Anna Jaques Hospital, to the Beverly Hospital license in

¹ Greater Boston includes the following cities/towns: Acton, Arlington, Ashland, Bedford, Belmont, Boston, Boxborough, Braintree, Brighton, Brookline, Burlington, Cambridge, Canton, Carlisle, Chelsea, Cohasset, Concord, Dedham, Dorchester, Dover, Foxboro, Framingham, Hingham, Holbrook, Holliston, Hopkinton, Hudson, Hull, Lexington, Lincoln, Littleton, Marlborough, Maynard, Medfield, Millis, Milton, Natick, Needham, Newton, Norfolk, Northborough, Norwell, Norwood, Quincy, Randolph, Revere, Roslindale, Scituate, Sharon, Sherborn, Somerville, Southborough, Stow, Sudbury, Walpole, Waltham, Watertown, Wayland, Wellesley, Westborough, Weston, Westwood, Weymouth, Wilmington, Winchester, Winthrop, Woburn, and Wrentham.

order to avoid a potential need to permanently close needed behavioral health beds at Anna Jaques Hospital. The Proposed Project does not involve any changes to the location, type, or complement of these two inpatient psychiatry Units. The Units will remain in their current location but under the oversight, leadership, and operational management of Beverly. Following implementation of the Proposed Project, Beverly will operate the Adult Unit in Newburyport and the Child Unit in Amesbury alongside its existing 100 inpatient psychiatric beds. This expansion to Beverly's license will ensure that inpatients of the Adult and Child Units have access to the broader continuum of outpatient and community-based services Beverly offers.

The Applicant states that both the Adult and Child Units currently conform with the required architectural standards for inpatient psychiatry units and no modifications are necessary to continue operations of the unit for inpatient psychiatry services by Beverly.

4. Demonstration that the Proposed Project will address the Emergency Situation, and that without issuance of a Notice of Determination of Need, the public health will be measurably harmed

Due to financial challenges faced by Anna Jaques Hospital and to provide financial viability at both Anna Jaques Hospital and Beverly Hospital, the addition of psychiatric beds at Beverly is critical to avoid the closure of the beds and significant reductions in inpatient and outpatient services. The Proposed Project will ensure continued access to inpatient psychiatry beds in the North Shore/Merrimack Valley, particularly for children, with no loss in available capacity. Failure to issue a Notice of Determination of Need may result in the closure of some or all of the Unit's inpatient psychiatric beds.

Staff Analysis

Staff notes that there is a well-documented need for inpatient psychiatry capacity in Massachusetts. Patients in need of behavioral health services consistently face long boarding times in emergency departments across the region as they wait for an available bed to open.ⁱ The loss of child and adult inpatient psychiatry beds in the region would lengthen wait times for this vulnerable population in need of services. As such, staff finds the Applicant made a reasonable case that without this transfer of beds from the AJH to Beverly Hospital license, there would be potential for financial issues that may interrupt continuity of care, behavioral health care, and access to local services.

Findings

Based upon a review of the Proposed Project as submitted by the Applicant, DoN staff recommend that the Commissioner determine that a material operational loss impacting AJH leading to the potential loss of behavioral health beds, and two floods at Beverly Hospital leading to the loss of Medicaid volume constitutes an Emergency Situation, as defined in 105 CMR 100.100. Staff further

finds that the Applicant convincingly demonstrates that adding thirty-six (36) inpatient psychiatry beds (20 adult and 16 pediatric), which are currently operated/licensed by Anna Jaques Hospital, to the Beverly Hospital license will address the Emergency Situation. Further, staff finds that without the issuance of a Notice of Determination of Need, that the public health will be measurably harmed. Staff recommend that, in light of the urgent need to maintain access to and continuity of treatment, certain notice and comment regulations be waived, specifically pursuant to 105 CMR 100.435(D) and 105 CMR 100.440 (B), and the related sections of 105 CMR 100.405(C)(2).

As a result, staff recommend that the Commissioner issue a Notice of Determination of Need, subject to all Standard Conditions set out in 105 CMR 100.310(A) except 100.310(A)(10).

The Commissioner may subsequently require a full Application for Determination of Need consistent with 105 CMR 100.405.

Other Conditions

1. The Holder shall maintain Beverly Hospital's 36 licensed psychiatric beds, approved pursuant to this DoN, for a period of five years following the approval of the Emergency Application. These beds shall be maintained either on the Beverly Hospital's license or at another hospital within the BILH system, subject to any required Department approvals.

Should the Holder seek to reduce Beverly Hospital's 36 licensed psychiatric beds, approved pursuant to this DoN, the Holder will notify the Program, in advance of any required essential service closure notifications to the Department. In the event that the Holder submits a notice of anticipated reduction to the Program, the Holder will provide an analysis of utilization patterns over a minimum of the previous five years, budgeted and actual Full Time Equivalent (FTE) staffing for each of the services referenced for reduction, a data supported assessment of community need, and a justification for the reduction the service, including alternatives considered and alternative sites where access can be reasonably assured for its Patient Panel. Following such notice of anticipated reduction of the 36 licensed psychiatric beds, the Holder may be referred to the Public Health Council for review of the long-term implications of such reduction and compliance with the DoN approval.

ⁱ See *Mental Health in Massachusetts*, KFF (<https://www.kff.org/statedata/mental-health-and-substance-use-state-fact-sheets/massachusetts/#:~:text=As%20shown%20in%20the%20figure,of%20adults%20in%20the%20U.S>) (last visited June 17, 2024).