

Beth Israel Lahey Health
Annual Report to the Massachusetts Office of the Attorney General
Provided Under Paragraph 129 of the Assurance of Discontinuance

Table of Contents

Introduction.....	2
BILH Targeted Cost Savings: Overview	3
A. Targeted Cost Savings: Operational Synergies.....	4
B. Targeted Cost Savings: Patient Care Efficiencies	7
C. Targeted Cost Savings: Shifting Care to Higher Value Settings.....	9
D. Elimination or Creation of Clinical Services	12
E. Other Consolidations of Services	13

Introduction

Overview

Under the reporting conditions of the Assurance of Discontinuance (“AOD”) filed by the Massachusetts Office of the Attorney General (“AGO”) on November 29, 2018, Beth Israel Lahey Health (“BILH”) agreed to regularly submit certain data and information, beginning with a 60-Day Report, which was submitted on April 30, 2019, and continuing thereafter in the form of Annual Reports for a 10-year period. The first Annual Report was submitted on January 15, 2020. Due to the COVID-19 pandemic, the submission date for the second Annual Report was June 30, 2021. Across reports due to the AGO, to allow for the inclusion of data based on a full calendar year as well as audited fiscal year-based financial statements, the parties agreed that the submission date for the third and all subsequent Annual Reports is March 1 of each calendar year.

This report describes:

- BILH’s targeted cost savings (and outcomes achieved) from operational synergies, improved patient care efficiencies, and shifted community-appropriate care to higher-value sites of care,
- Elimination of clinical services and creation of new clinical services, and
- Consolidation of operations.

Scope of this Report

This report represents the fourth submission of data and information, and the third Annual Report submitted by BILH to the AGO under paragraph 129 of the AOD reporting requirements, covering the 12-month period of October 1, 2020 to September 30, 2021 except where otherwise noted. As with the first and second Annual Reports, the third Annual Report covers the subset of data elements available to BILH at the time of submission.

BILH Targeted Cost Savings: Overview

Throughout FY 2021, responding to the COVID-19 pandemic continued to be a primary focus for BILH. Across clinical and administrative departments, BILH leadership and staff expended significant time and resources into caring for patients with COVID-19, establishing staff and patient vaccination clinics, and administering COVID-19 testing. Despite the enormity of these efforts, BILH continued to make significant progress on its journey to realize the benefits of system integration. It is important to note, however, that BILH's integration-related savings have been offset by broader financial and operational impacts of the pandemic, including an unprecedented decline in patient volume (due to curtailment of elective services), ongoing workforce disruption, and extraordinary costs associated with the COVID-19 response.

In FY 2021, BILH achieved \$79.0 million in targeted cost savings relative to the pre-merger baseline of FY 2018. This figure exceeds \$69.2 million, the high end of the range for FY 2021 (Year 3).

BILH has achieved these savings through efforts to integrate operations in areas such as Supply Chain and Human Resources as well as in patient care areas such as Pharmacy and Laboratory. As noted in prior Annual Reports and in line with the scope of this report as outlined by the AOD, these estimates exclude the value generated from clinical service line growth and reduced outmigration of care, both of which are expected outcomes of BILH's efforts to create an accessible, well-coordinated system of care for patients and families in eastern Massachusetts.

Table 1 below summarizes the original projections of targeted cost savings by administrative or clinical area as well as savings achieved through FY 2021.

Table 1. Projected and Actual BILH Targeted Cost Savings as a Result of Operational Synergies and Patient Care Efficiencies (Fiscal Year Ending September 30)¹

\$ in Millions	FY 2021 Original Projection	FY 2021 Actual Savings
Operational Synergies		
Supply Chain	17.9 – 21.9	22.1
Revenue Cycle	7.2 – 12.3	0.7
Other Operations	10.8 – 14.0	26.6
Patient Care Efficiencies		
Pharmacy	4.0 – 8.5	14.9
Laboratory	3.6 – 5.7	8.5
Clinical Engineering	1.2 – 2.9	0.2
BILH Performance Network	2.2 – 3.8	6.0
Total	47.0 – 69.2	79.0

Please note that all references in the report to FY 2021 savings are based on a comparison to the pre-merger baseline of FY 2018.

¹ Low to high estimates

A. Targeted Cost Savings: Operational Synergies

Supply Chain

In FY 2021, BILH saved \$22.1 million on Supply Chain-related expenses compared to its pre-merger baseline of FY 2018, making it the leading driver of synergies for the system. The system is well positioned to achieve its Year 5 (FY 2023) target of between \$25.2 million and \$30.8 million in Supply Chain-related savings.

As noted in prior reports, BILH's move to a single Group Purchasing Organization ("GPO"), HealthTrust, in 2019 has resulted in significant savings due to HealthTrust-negotiated unit prices on supplies and services, volume-based tier pricing, and conversions to HealthTrust-contracted products when clinically appropriate. BILH continued to see incremental savings from its GPO vendors in FY 2021 due to enhanced pricing.

BILH continued to leverage its purchasing power by negotiating and /or enhancing several system-wide contracts for GPO and non-GPO products and services. For instance, in FY 2021, BILH worked with key suppliers of hip and knee implants to negotiate system-wide pricing and rebates. BILH also negotiated a system-wide contract with Sodexo for environmental services, food services, patient transport, facilities management, and service response management.² Both of these efforts will yield significant savings in FY 2022.

In FY 2021, BILH Supply Chain initiated discussions with Cardinal Health to support the system-wide utilization of this medical surgical supply distributor starting in FY 2022. This initiative will standardize costs around the delivery and storage of products and will provide an opportunity to formalize the oversight of a pandemic warehouse and inventory management of clinical equipment and personal protective equipment. As supply management has become critical from the very first moment of the COVID-19 pandemic, more robust supply management and planning will minimize the impact of future supply chain disruptions, pandemics, or emergency situations.

Revenue Cycle

In FY 2021, BILH Revenue Cycle engaged in a start-to-end assessment and identified cash acceleration and net revenue improvement opportunities across its business units. BILH has constructed an enterprise Revenue Cycle Governance Committee to lead FY 2022 system-wide initiatives and monitor progress to goals. BILH is also working to standardize key revenue cycle performance indicators across the health system.

As noted in the second Annual Report, BILH selected system-wide vendors for extended business office and bad debt management services in FY 2020. Implementation of these vendors was completed in FY 2021. Synergies from these efforts are estimated at approximately \$0.7 million.

² Use of Sodexo services varies by BILH facility.

Other Operations

Across Human Resources, Finance Operations, Real Estate and Facilities, and Information Technology (“IT”), BILH saw savings of \$26.6 million compared to its original projection of between \$10.8 million and \$14.0 million.

Human Resources

BILH Human Resources generated \$16.7 million in savings for the system in FY 2021. As noted in prior Annual Reports, these savings primarily stem from BILH’s significant progress on harmonizing its benefits platform, with major achievements including the move to a standard ERISA plan year as well as to enterprise-wide medical, pharmacy, and dental insurance carriers and plan designs. In FY 2021, BILH harmonized the following:³

- Benefit eligibility rules,
- Vision, disability, and life insurance plan designs,
- Voluntary benefit offerings, and
- BILH’s prescription formulary.

Throughout FY 2021, BILH Human Resources focused on standardizing job architecture across the health system and making changes to bring consistency to recruiting, hiring, and onboarding processes and pay structure. BILH implemented anti-racism training and Diversity, Equity and Inclusion (“DEI”) selection protocols. As a result, the system has seen an increase in the percentage of new executive and director-level hires that are female and Black, Indigenous, and People of Color. Numerous executive positions were filled by internal candidates, demonstrating mobility and career progression for staff.

BILH Human Resources has continued to play a key role in partnering with system service leaders to centralize functions including IT, Credentialing Verification, Emergency Management, Pharmacy, Laboratory, Office of DEI, Philanthropy, and Strategy.

Finance Operations

In FY 2021, BILH achieved \$1.2 million in finance operations savings. Key achievements this past year included the consolidation of treasury management and operations along with the redesign of BILH’s banking relationship, both of which generated operational efficiencies. By concentrating more of the system’s cash at the parent level, BILH was able to reduce banking expenses.

BILH Finance also undertook a rigorous evaluation process to select Syntellis Axiom Enterprise Decision Support as the decision support system (“DSS”) to be implemented across the system. The DSS will act as a consolidated data warehouse and facilitate financial performance evaluations at the service-line level.

Real Estate & Facilities

Across its Real Estate and Facilities-related efforts, BILH has saved \$6.3 million. In FY 2021, BILH Real Estate continued its optimization planning efforts to improve patient access, employee satisfaction, and

³ There are some exceptions to standardization among employees under organized labor contracts.

environmental sustainability, and to reduce cost. These efforts have resulted in the following achievements:

- BILH Real Estate negotiated and executed an administrative space consolidation agreement. This agreement has reduced office building space by approximately 70,000 square feet, resulting in a net expense reduction of \$35 million dollars over nine years.
- The BILH Real Estate team partnered with Human Resources, IT, Office of General Counsel, and other stakeholders to create and deploy remote work policies and procedures across the system to reduce office space expense, facilitate telecommuting, and improve employee satisfaction and productivity.
- BILH Real Estate selected and commenced expansion of the Archibus software to support the network with space planning, facilities drawing inventory, emergency management, and desk reservation tools.

In FY 2021, leaders from across the system continued to meet regularly to discuss BILH facilities integration strategies and cost saving opportunities. BILH worked closely with Veolia, the system's energy purchasing broker, to form a natural gas procurement strategy. In the spring of 2021, BILH issued a natural gas request for proposal ("RFP") to suppliers; BILH anticipates it will begin to make system-wide gas purchases in FY 2022. Additionally, BILH entered into memoranda of understanding ("MOUs") with Eversource and National Grid that allow BILH hospitals to receive larger incentive payments to offset the cost of energy-saving facility projects. As a result, BILH hospitals carried out various small-scale energy and electricity-related projects across their facilities, such as lighting and kitchen exhaust hood upgrades.

BILH also issued an RFP for emergency generator preventive maintenance and awarded the contract to a single vendor. As noted in last year's report, BILH planned to investigate vendor consolidation for boiler preventative maintenance. While BILH did undertake a competitive bid process, the system ultimately decided it was prudent to retain its current arrangement. Finally, BILH issued an RFP for solid waste management and selected and contracted with a single vendor.

Information Technology

In FY 2021, BILH IT continued to consolidate the local entity IT departments into one streamlined system service with a long-term goal to enhance efficiency, reduce redundancy, and improve performance and productivity. BILH IT established its service lines and appointed service line leaders to support efforts including Workday implementation and contract optimization.

As noted in the prior Annual Report, the Workday platform will facilitate system-wide views and management of Human Resources, Finance, Supply Chain, and IT-related data and work processes. During FY 2021, the project team completed the planning, architecture, and the majority of the configuration and prototyping phases. In FY 2022, the focus will shift to extensive testing before going live in early FY 2023. As part of the Workday project, all BILH entities are aligning to a single biweekly payroll date starting in calendar year 2022, which will facilitate integration and reduce cost by allowing the system to shift to a single third-party vendor for check printing.

Throughout FY 2021, BILH's IT team continued to inventory its service contracts across the system to facilitate contract optimization and consolidation where appropriate. Additionally, the team generated operational savings by implementing a hybrid model for data center consolidation, which includes a BILH-owned data center and a cloud services data center. Through its contract optimization and data center consolidation efforts, BILH IT generated \$2.4 million in savings for the system in FY 2021.

B. Targeted Cost Savings: Patient Care Efficiencies

With a continued focus on integrating operations and leveraging system-wide scale, depth, and purchasing power, BILH has driven material savings for the system across the patient care service areas of Pharmacy, Laboratory, and the Beth Israel Lahey Health Performance Network ("BILHPN").

Pharmacy

BILH Pharmacy is the second largest driver of synergies to the system, generating \$14.9 million for the system in FY 2021 through GPO-related cost savings, contract consolidation and optimization, the launch of a co-pay financial assistance program for BILH health plan members, and its inclusion in the Harvard Pilgrim Health Care ("HPHC") Specialty Pharmacy Network. This past year, BILH incorporated BILH Pharmacy, Inc. and hired a Chief Pharmacy Officer with the goals of improving clinical pharmacy services and patient access to medications while also bringing cost efficiencies to the system. As a system-level pharmacy corporation, BILH Pharmacy, Inc. will continue to grow and expand the ambulatory services provided to patients, develop centralized services to support the system's hospitals, and deliver pharmacy services in the most cost-efficient manner possible. BILH's Pharmacy and Therapeutics Committee continues to recommend and review essential pharmaceuticals and therapeutics, such as COVID-19 treatment, vaccines and drugs, the new Alzheimer drug Aducanumab, and biosimilars for immunological diseases.

BILH Pharmacy continues to bring cost savings to the organization. Building upon the move to HealthTrust as the system GPO, the team selected and implemented a pharmacy wholesaler in FY 2021, resulting in consolidation from two to one wholesaler for the system. This consolidation will generate savings and allow BILH to begin consolidating and optimizing drug purchases to further reduce costs. Additionally, BILH Pharmacy continued to support the new co-pay assistance program through which BILH health plan members can access drug manufacturer financial assistance programs. At the end of FY 2021, BILH Pharmacy insourced the administration of this important program, allowing it to save additional costs.

Two other initiatives have expanded patient access to medications. As noted in the prior Annual Report, BILH Pharmacy opened its Westwood facility in October 2020, enabling it to launch a medication delivery service. In addition, HPHC agreed to include BILH in its specialty pharmacy network, enabling BILH patients who are insured through HPHC to conveniently fill their prescriptions for specialty medications through BILH.

Laboratory

BILH Laboratory Services generated more than \$8.5 million in savings in FY 2021 through its efforts to

consolidate purchased and in-house services and bring tests in-house from reference labs where it is efficient to do so. For example, in September 2020, BILH went live with its enterprise-wide contract with Quest Diagnostics as its primary reference lab. Additionally, as described in the previous BILH Annual Report, BILH continued to see cost savings associated with the insourcing of COVID testing.

BILH has been able to improve access to laboratory services, clinician and patient experiences, quality of care, and efficiency. Across its hospitals, BILH has consolidated certain laboratory tests to specific locations. For example, microbiology and technical histology tests from multiple hospital labs are now performed at one core lab. Investment in IT infrastructure has allowed providers to order tests and receive results regardless of their location.

BILH Laboratory Services continues to build leadership and system infrastructure to optimize services across sites, in-source tests when it is efficient to do so, enhance lab supply chain management, and improve patient access.

Clinical Engineering

In FY 2021, the Clinical Engineering team developed a competitive bid proposal for maintenance services for diagnostic imaging (“DI”) equipment. BILH selected Crothall as its single service provider for select DI equipment, which will result in cost reduction, improved and standardized performance levels, increased visibility, and enhanced quality of service. FY 2021 savings were modest at \$0.2M, but are expected to grow over time.

Beth Israel Lahey Health Performance Network

As noted in the prior Annual Report, BILHPN continued to integrate its operating platform in FY 2021 with a focus on enhancing patient care, quality performance, and total medical expense management. These integration efforts allowed BILHPN to streamline its infrastructure, driving savings of \$6 million to BILH. Major milestones include migrating from two population health data warehouses to one enterprise-wide platform, Arcadia; moving from eight payroll systems to one system with a harmonized set of benefits for staff; transitioning from four to two physical offices; centralizing provider enrollment services; and, consolidating contracts for purchased goods and services.

The previous Annual Report described how the transition to Arcadia proved indispensable to BILH's response to the COVID-19 pandemic and enhanced BILHPN's care coordination abilities. In FY 2021, BILHPN continued to optimize its population health tool and clinical data warehouse by expanding data connections to include new hospital clinical systems. This included BILH's Community One Meditech EHR environment that supports Needham, Milton, and Plymouth community hospitals and the Anna Jaques Meditech EHR environment. The inclusion of these large clinical data sets enables BILH to better support population health quality and care programs across the network. BILHPN also worked to augment patient demographic data to include expanded data sets for race, ethnicity, language, sexual orientation, and gender identity to support health equity initiatives across BILH and with its payer partners.

C. Targeted Cost Savings: Shifting Care to Higher Value Settings

Throughout FY 2021, BILH continued its efforts to drive material savings for the Commonwealth by increasing the volume of care provided at BILH versus higher-priced providers and, within BILH, increasing the volume of clinically-appropriate care provided in its lower-cost settings.

Virtual Transfer Center

In FY 2021, BILH continued to expand the impact of its Virtual Transfer Center (“VTC”) on patient care access. Beth Israel Deaconess Medical Center (“BIDMC”), Lahey Hospital & Medical Center (“LHMC”), and Mount Auburn Hospital’s (“MAH”) transfer centers worked collaboratively to improve capacity for incoming patient transfers. If a specific hospital is unable to accommodate a request due to capacity, the VTC works to find an available, clinically appropriate bed elsewhere in the system. BILH hospitals collectively received over 10,000 transfer requests in FY 2021 and redirected over 500 of these requests. Among those transfers, approximately 440 patients were successfully redirected to another tertiary facility within BILH after it was determined that the originally requested facility did not have sufficient capacity. This year, the VTC focused on redirecting more patients to BILH's community hospitals based on patient acuity and the level of care needed in an effort to optimally manage capacity at tertiary facilities. Throughout FY 2021, in addition to the aforementioned transfers to tertiary facilities, the VTC redirected over 70 patient transfers to a BILH community hospital.

BILHPN Centralized Referral Management

BILHPN’s centralized referral management program continued to grow throughout FY 2021, with additional primary care practices opting to participate in the program. Dedicated, trained staff offer patients seeking out-of-network specialty care with in-network options, when clinically appropriate. The program redirected over 1,500 visits to BILH during FY 2021, the majority of which were redirected from higher-cost providers.

The program enhanced its performance in FY 2021 through two interventions. First, it identified key contacts within BILH specialty clinics to help program referral coordinators navigate patients to visits in a timely manner. Second, it developed a reporting packet for BILHPN risk units and providers to help identify outmigration trends and develop plans to keep care local.

Teleconsulting for Tertiary Services

In FY 2021, BIDMC and LHMC launched teleconsulting programs for select tertiary care services for its community hospitals (e.g., Neurosurgery). These programs mitigate unnecessary transfers by facilitating teleconsults with specialists and allowing care to stay local, when appropriate. BIDMC and LHMC continue to explore other specialties to which teleconsulting programs can be extended.

Performance Measurement

BILH has measured its performance at reducing the outmigration of care to high-cost providers using two analytic frameworks.

First, for its patients under risk-contract arrangements and its own employees,⁴ BILH measured the percentage of non-emergent inpatient admissions that went to non-BILHPN providers and categorized those providers by their relative cost. As the data in [Table 2](#) illustrate, BILHPN's performance with regard to reducing outmigration of care was mostly favorable. Comparing FY 2021 to FY 2020, outmigration among the commercial PPO, commercial HMO, and MassHealth populations decreased overall and specifically with regard to the use of higher-cost providers. The outmigration rate for the Medicare population was stable. As noted earlier in the report, BILHPN has the most influence on where HMO patients receive care due to their health insurance plans' requirement that they have a referral authorization for non-emergency specialty care. BILHPN's centralized referral management program has enabled it to direct an increasing number of patients toward in-network providers.

⁴ In contrast to prior reporting years, BILHPN has transitioned to its CY 2022 funds flow outmigration logic. The following changes have been implemented: exclusion of pediatrics, inclusion of employees, exclusion of inpatient emergent admissions, application of custom logic for ambulatory surgery centers per risk unit, exclusion of outpatient surgeries that took place as part of the professional visit, and inclusion of all specialty visits with the exception of Psychiatry, Optometry, Emergency Medicine, and Primary Care. Table 2 is reflective of this logic in order to show historical trends using consistent methodology.

Table 2. Outmigration Rates for Non-Emergent Inpatient Admissions among BILHPN Patients in Risk Contract Arrangements, FY 2019 Partial Year - FY 2021⁵

Payer	Minimum and Maximum % Of Total Member Population (March 2019-September 2021)	Outmigration Rates (Based on Utilization/1,000)				
		March 2019 - September 2019	FY 2020	% Change FY 2019 - FY 2020	FY 2021	% Change FY 2020 - FY 2021
HMO	42.5% - 44.3%	27.9%	27.0%	-0.9%	25.2%	-1.8%
High Cost		19.5%	18.3%	-1.2%	17.2%	-1.1%
Medium Cost		6.3%	6.0%	-0.4%	5.3%	-0.7%
Low Cost		0.5%	0.6%	0.1%	0.6%	0.0%
No Definition		1.6%	2.1%	0.5%	2.0%	-0.1%
PPO	21.0% - 21.4%	38.9%	40.2%	1.4%	34.3%	-5.9%
High Cost		31.2%	32.4%	1.2%	26.4%	-6.0%
Medium Cost		6.5%	6.5%	0.0%	6.9%	0.3%
Low Cost		0.8%	1.0%	0.2%	0.9%	-0.1%
No Definition		0.3%	0.3%	0.0%	0.2%	-0.1%
MassHealth	9.6% - 11.8%	21.5%	18.3%	-3.3%	16.8%	-1.5%
High Cost		5.3%	4.1%	-1.2%	4.2%	0.2%
Medium Cost		11.9%	11.6%	-0.4%	9.3%	-2.3%
Low Cost		4.0%	2.3%	-1.8%	2.8%	0.5%
No Definition		0.3%	0.4%	0.1%	0.4%	0.1%
Medicare	24.7% - 24.8%	19.1%	21.5%	2.5%	21.7%	0.1%
High Cost		11.8%	12.0%	0.2%	12.0%	0.0%
Medium Cost		4.5%	4.8%	0.2%	5.7%	1.0%
Low Cost		0.3%	0.4%	0.1%	0.5%	0.1%
No Definition		2.4%	4.4%	2.0%	3.4%	-0.9%

Second, BILH measured its success at strengthening the capabilities and market position of its community providers by tracking the case mix index (“CMI”) and inpatient volume trends at each BILH community hospital. As the data in [Table 3](#) show, CMI increased 4% across BILH’s community hospitals between FY 2018 and FY 2021, reflecting significant growth in the ability of these institutions to provide complex care. Inpatient volume declined between FY 2018 and FY 2021 due to the impact of COVID-19 on clinical volumes.

⁵ This analysis is based on BILHPN claims data. Outmigration rates are based on utilization, not dollars. Excludes behavioral health and heart and lung transplant admissions. Categorization of hospitals as high/medium/low cost is based on the 2021 CHIA relative price (“RP”) factor report, which is based on 2019 data; this report is the most recent version available at this time. BILH re-calculated the average RP factor for each hospital using the RP inpatient factors for the three major payors (BCBSMA, HPHC, and Tufts HP). BILH classified as high cost those hospitals in the top 25th percentile of average relative inpatient price; medium-cost as the 25th – 75th percentile; and low-cost as the bottom quartile. The non-defined category includes non-Massachusetts-based hospitals.

Table 3. Inpatient Volume and CMI for BILH Hospitals, FY 2018 – FY 2021

BILH Hospital	Hospital Type	Inpatient Discharges					Inpatient CMI				
		FY 2018	FY 2019	FY 2020	FY 2021	% Change FY 18 to FY 21*	FY 2018	FY 2019	FY 2020	FY 2021	% Change FY 2018 to FY 2021
BIDMC	AMC	40,705	40,752	36,402	37,606	-8%	1.74	1.75	1.81	1.88	8%
LHMC	AMC	23,997	23,936	21,448	21,448	-11%	1.87	1.91	1.98	2.04	9%
Anna Jaques	Community	7,361	7,109	6,147	6,030	-18%	1.03	1.17	1.20	1.25	22%
BID-Milton	Community	5,787	6,135	5,741	5,843	1%	1.47	1.45	1.51	1.51	3%
BID-Needham	Community	2,832	2,855	3,019	3,742	32%	1.37	1.34	1.36	1.35	-1%
BID-Plymouth	Community	11,751	12,371	11,797	11,724	0%	1.38	1.40	1.40	1.44	5%
Beverly & Addison Gilbert	Community	21,358	21,087	19,181	18,873	-12%	1.25	1.26	1.27	1.27	2%
Mount Auburn	Community/Tertiary	14,574	13,514	12,337	12,741	-13%	1.11	1.08	1.06	1.12	1%
Winchester	Community	13,098	14,215	13,960	14,814	13%	1.19	1.17	1.16	1.18	0%
NEBH	Specialty	8,574	8,175	6,931	6,154	-28%	2.38	2.34	2.33	2.35	-1%
TOTAL BILH Hospitals		150,037	150,149	136,963	138,975	-7%	1.54	1.55	1.57	1.60	4%
BILH AMCs		64,702	64,688	57,850	59,054	-9%	1.79	1.81	1.87	1.94	8%
BILH Community Hospitals		76,761	77,286	72,182	73,767	-4%	1.23	1.24	1.25	1.28	4%

As noted in its previous reports, BILH also will measure its success in enhancing community-based care through the system's ongoing commitments to community health center affiliates and safety net affiliates, as outlined in Paragraphs 98 to 112 of the AOD and as detailed in annual third-party monitor reports.

D. Elimination or Creation of Clinical Services

In FY 2021, BILH added the following material clinical services:

- BIDMC added 24 medical/surgical beds to its East Campus, effective January 1, 2021, and two new satellite infusion clinic locations to its DPH license, effective July 9, 2021. The two infusion clinics are located in Burlington and Peabody.
- MAH upgraded its nursery to a level IIB nursery with the addition of three bassinets, effective February 22, 2021.

In FY 2021, BILH discontinued the following clinical services:

- AJH closed its 8-bed pediatric medical/surgical inpatient unit, effective September 24, 2021, due to a declining need for pediatric inpatient services and consistently low patient census.
- BILH at Home closed Parlin Hospice Residence, effective December 31, 2020, and sold the rehabilitation and skilled nursing facility operations at Ledgewood and Seacoast, effective June 1, 2021.
 - Parlin Hospice Residence was a 10-bed hospice residence located in Wayland, Massachusetts. The program closed due to a lack of patient demand and ongoing staffing challenges. When the hospice residence closed in December, the three remaining patients

were moved to hospice housing in Reading, Massachusetts. Services were maintained for these patients and clinical care was not disrupted.

- In the cases of Ledgewood and Seacoast, BILH maintains ownership of the land and buildings and has leased them to the new owner who continues to provide services at these locations.
- BILH Behavioral Services (“BILH BS”) transitioned its recovery coaches to Beverly Hospital. BILH BS also closed its Boston location for inpatient detoxification and recovery support navigators. The City of Boston owns the building and requested that the City be able to use the space to support its response to the crisis of COVID-19 in the homeless population in that neighborhood. BILH BS continues to offer these services at other BILH BS locations. BILH BS closed adult behavioral learning centers at Haverhill and Salem, effective May 2021, due to significant challenges associated with the pandemic. BILH BS has worked closely with day treatment patients to identify alternative services.

E. Other Consolidations of Services

BILH has continued to build out operating models for system services throughout FY 2021.

BILH welcomed its inaugural Chief Infection Prevention Officer. Reporting to the BILH Chief Medical Officer, this role provides strategic and operational oversight of infection prevention and antimicrobial stewardship across BILH. Additionally, this leader will continue development of a system-wide infection prevention program in order to set consistent standards for infection control practices across all BILH facilities and settings, including acute care, primary care, behavioral care, and continuing care.

Also in FY 2021, BILH announced the appointment of its inaugural Chief Diversity, Equity and Inclusion Officer (“CDEIO”). In this newly created role, BILH’s CDEIO will report directly to the President and CEO of BILH and will lead and accelerate BILH’s efforts to transform care delivery for the underserved, while establishing diversity, equity, and inclusion capabilities across the system.

BILH Integrity and Compliance made significant progress in its integration efforts. It is structured as several centers of excellence, including Privacy, Revenue Cycle, and Research, with local compliance resources supporting individual entities. The Compliance team has harmonized policies, processes, and technology across the enterprise. For example, one Conflict of Interest Policy was adopted for the enterprise. BILH Compliance has also moved to one integrated hotline vendor, enabling system-wide, consistent reporting. Similarly, consistent policies and procedures around privacy are being adopted as well as a common technology for monitoring medical records for potential privacy issues.