

January 27, 2022

VIA EMAIL DPH.DON@State.MA.US

Lara Szent-Gyorgyi
Director, Determination of Need Program
Massachusetts Department of Public Health
Department of Public Health
67 Forest Street
Marlborough, MA 01752

RE: Mass General Brigham Ambulatory, Project #21012113-AS, Independent Cost-Analysis Comment by MEDC Ten Taxpayer Group

Dear Director Szent-Gyorgyi:

I write to you today on behalf of the Ten Taxpayer Group consisting of members of the Marlborough Economic Development Corporation. As business and economic development leaders in the City of Marlborough, the members of our Ten Taxpayer Group highly value Marlborough Hospital as a crucial community asset. Marlborough Hospital has been a vital part of our community for over 130 years and has cared for hundreds of thousands of patients in that time. Marlborough Hospital is known to offer quality care to the diverse patients it serves within our community. We continue to see them recognized for their service and efforts.

It does this while also serving as our community's safety net hospital. Because it treats a disproportionately large percentage of low-income patients who are covered by MassHealth, seniors or disabled on Medicare and patients who are uninsured, Marlborough Hospital is labeled a "High Public Payer" hospital by the state and a "Disproportionate Share Hospital" by the federal government. Residents of Marlborough and surrounding towns are fortunate to have a local community hospital that so effectively combines cost, quality, and dedication to serving the less fortunate. As community and business leaders, we appreciate how valuable this combination of qualities is to the quality of life of members of our community, so we feel compelled to speak out when we believe that such a vital institution is threatened.

We believe that Mass General Brigham's proposed large clinic directly threatens the fiscal viability of Marlborough Hospital and, therefore, its ability to effectively carry forth its 130-year history of community service well into the future. The MGB Westborough clinic would essentially be a mini hospital and its own executives have described its purpose as being to attract new commercially insured patients into the MGB system to expand its volume of highly profitable referrals into the two most expensive hospitals in the state, Mass General Hospital and Brigham & Women's.

As you know, public payers, especially MassHealth pay hospitals far less than the actual cost of care. To remain fiscally viable, safety net hospitals like Marlborough need to

counterbalance those losses with revenue from caring for commercially insured patients. Somehow, Marlborough has done this even with inpatient rates lower than all other hospitals and with a percentage of safety net patients that is far higher than MGB's.

The Attorney General stated, "Low cost community hospitals rely on narrow commercial margins to stay in business, and a shift of commercial patients away from them threatens their continued viability as affordable and high quality options in the market. " While considering the projections that MGB is making about their ambulatory expansion plan, we have concerns regarding the fact that a percentage of patients will no longer be brought to Marlborough Hospital for emergency care. Furthermore, this will affect the number of patients from Marlborough Hospital that need high acuity care and normally go to UMass Memorial Medical Center, which is the lowest priced academic medical center in the state.

We had hoped that the Independent Cost Analysis (ICA) would help inform your decision making process but are discouraged that it failed to include important components. Unfortunately, it did not examine the cost of referrals into the state's two highest cost hospitals, nor the impact that loss of commercially insured patients will have on local safety net hospitals like Marlborough Hospital. It also failed to include information showing how the proposed expansion will meet state regulations to "ensure that resources will be made reasonably and equitably available to every person within the Commonwealth at the lowest reasonable aggregate cost."

As mentioned above, Marlborough Hospital currently offsets its losses from caring for a disproportionate share of publicly insured or uninsured patients with revenue from commercially insured patients while remaining the lowest cost inpatient hospital in the state. We fear that the resulting fiscal instability from losing commercially insured patients could force Marlborough Hospital to substantially scale back its services simply to remain afloat.

MGB is proposing a clinic in Westborough that is at least three times larger than it needs and it is advertising aggressively to local residents. MGB's application and the ICA both estimate that patient visits from MGB's existing patients will amount to 42,267 annually in Westborough, however the clinic will be the same 62,000 square foot clinic being proposed in Woburn, which has over 69% of the volume of existing patients. A building of this size in Westborough would only be necessary if MGB saw extraordinary room for growth in Westborough. Along with their targeted advertising, it is becoming clear that one of MGB's goals is to lure commercially insured patients away from lower cost, local healthcare providers to increase referrals into their Boston hospitals.

In closing, although we aren't charged with implementing the Determination of Need regulations, we can see that they are written to uphold two important public policy goals that we each care about. The first is equitable access to health care for *all* residents. Low-income members of our community deserve access to health care as much as every other person, and Marlborough Hospital has been instrumental in providing that care. We deeply desire that it remain fiscally viable so it can continue to do so for another 130 years. Second, is the issue of cost. As business leaders, we see it as imperative that healthcare costs in Massachusetts be stabilized. Increased costs inevitably cause increased health insurance premiums, which negatively impacts businesses and employees alike. Marlborough Hospital and similar small

community hospitals across the state are accessible institutions that provide high quality care at a much lower price than MGB. To borrow a phrase from MGB, community hospitals like Marlborough provide the right care, in the right place, *at the right price*.

As the Department of Public Health assesses this proposal to prepare its recommendation, we ask you to recognize the enormous shortcomings of the ICA's analysis. We hope you will review the abundant evidence that was ignored in the ICA and see this proposal for what it is (and what MGB has described it as to investors): a major commercial growth strategy to increase volume at its expensive Boston hospitals. If they are allowed to implement that strategy, please understand that the costs will be both financial and human – the financial cost of rising health insurance premiums for businesses and employees, and the human cost of lost access to health services for our state's most vulnerable residents.

We believe these prices are too high to pay and we respectfully urge you to reject MGB's application in its entirety.

Sincerely,



Meredith Harris