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Lynn Health Task Force

Fighting for a Healthy Lynn

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**COMMENTS OF THE LYNN HEALTH TASK FORCE
ON NSMC'S APPLICATION FOR APPROVAL OF AN AMENDMENT
TO DETERMINATION OF NEED PROJECT # 6-3C46
February 8, 2017**

INTRODUCTION

The Lynn Health Task Force hereby submits the following comments on the proposed amendment to DoN # 6-3C46 filed by the North Shore Medical Center. Our grassroots organization, which is focused on issues of health access for underserved groups, participated as a 10-taxpayer group in the underlying Determination of Need proceeding as well as the closely related Essential Services proceeding related to NSMC/Partners' plan to close Union Hospital. The two proceedings are inextricably linked because the capital expenditure that was the subject of the DoN proceedings was a fundamental aspect of NSMC/Partners' promises as to how it will ensure that patients in the Union Hospital service area will continue to have adequate access to essential hospital services. In essence, NSMC/Partners assured the community and the Department of Public Health that the closure of Union Hospital would not diminish the health status of residents of Greater Lynn because it would be expanding and upgrading its Salem campus by, among other things, expanding the Emergency Department, adding 48 Medical/Surgical beds (still a net loss of 28 Medical/Surgical beds from the current two-campus total), creating 56 new Psychiatry beds and improving access and flow at the facility by building a lobby. The DoN was approved by the Public Health Council on July 13, 2016. Three months later, NSMC/Partners announced that it intends to scale back the project by eliminating 24 of the promised Medical/Surgical beds (thereby reducing the current total medical surgical beds by 52 beds), eliminating 30 of the planned psychiatry beds (increasing current capacity by 24 instead of

the promised 54 additional psychiatry beds¹), and eliminating the construction of the lobby, thereby reducing its planned expenditure by \$30 million.

The Lynn Health Task Force membership is deeply troubled by NSMC/Partners' announcement that it proposes to significantly scale back its plans for Salem Hospital. Our community lost one of its two hospitals in the 1990s and now our only remaining hospital will soon close, leaving us as a city of 92,000 people without a hospital. NSMC/Partners made promises about how it would soften this blow by creating a bigger and better hospital at the Salem campus, but is now reneging on those commitments. NSMC/Partners has violated the trust of an entire community that is the largest in the region, has the greatest health needs and health disparities in the area and is losing its only hospital; a community that fills more than half its beds, has supported the hospital financially, and provides a large share of its workforce. It is quite clear that the proposed Amendment will lead to inadequate bed capacities for both Medical/Surgical and Psychiatry beds and will not meet the bed needs identified by NSMC/Partners itself in the DoN application. For years now, NSMC/Partners has acknowledged that the community of Lynn has critical unmet health needs, needs which are confirmed by DPH's own data. However, somehow in the three months following the hearing on the DoN, unspecified "new information" came to light calling for the retrenchment of NSMC/Partners' plans. In our view NSMC/Partners' claims that their abandonment of their promised improvements is based on new information is disingenuous and should be considered as such by DPH.

**NSMC'S APPLICATION FOR AMENDMENT SHOULD BE REJECTED
BECAUSE THE REDUCED SCALE OF THE PROJECT WILL NOT MEET
THE MEDICAL AND PSYCHIATRIC NEEDS OF NSMC'S SERVICE AREA**

NSMC/Partners' application for an amendment to the Determination of Need seeks approval for reducing the scale of the project by 24 medical/surgical beds and 30 psychiatry beds. With the closure of Union Hospital, the reduced scale of the Salem Hospital project will not create enough capacity to meet the in-patient needs of residents of the hospital's service area in either the medical/surgical component or the in-patient psychiatry component.

A. If NSMC builds only 24 new medical/surgical beds at the Salem campus, with the closure of Union Hospital there will not be sufficient capacity to serve the needs of the region.

The amendment seeks approval for NSMC/Partners to build only 24 new medical/surgical beds instead of the 48 that were promised and approved in the DoN application.

¹ Between the time the DoN was approved and the time the Amendment was submitted, NSMC increased its pediatric psychiatry beds by 2, so the current total number of psychiatry beds is 66.

NSMC would also utilize 8 existing beds from the cardiac surgery unit that was closed over the summer. Thus the plan would create 16 fewer Medical/Surgical beds than the project as reviewed by the Department of Public Health in the Essential Services proceeding and approved by the Public Health Council on July 13, 2016. Even under the original plan that was approved, with the closure of Union Hospital, the NSMC system would lose 28 Medical/Surgical beds. (Union Hospital currently has 76 Medical/Surgical beds. By adding 48 at Salem Hospital, the consolidated hospital would lose a net 28 beds. NSMC/Partners is now proposing to reduce the total Medical/Surgical beds in the area by 44 beds.)

In the application for a Determination of Need, NSMC predicted that with the project as proposed (including the promised 48 Medical/Surgical beds), it would experience an average occupancy rate of 79-80% in coming years, based on projected bed days of 63,396-63,883 and 219 beds. Under the amendment, the area would have 203 Medical/Surgical beds, generating a maximum capacity of 74,095 bed days. This would yield an average occupancy rate of over 85%. Given the natural variation in the number of patients in need of admission, this rate will inevitably lead to many days when a patient in need of admission will not have an available bed. In addition to the natural variation in the number of patients needing admission, some beds will not be available due to issues such as gender, infection control and maintenance. This is especially true where many of the existing beds are in double rooms (64 beds) and quads (24 beds). If NSMC has inadequate numbers of beds, patients will be forced to wait longer in the Emergency Department and some will be transferred to other facilities, interrupting continuity of care and the ability of families to provide support to their seriously ill members.

The Task Force is therefore very concerned that the amendment for which NSMC is seeking approval will not have a sufficient number of Medical/Surgical beds for the hospital's service area once Union Hospital is closed. The result will be patients who remain in the Emergency Department for hours and days awaiting an open bed, or having to be transferred to other facilities. As people recognize that NSMC has long waits for admission, they will "vote with their feet" and seek care at other facilities, including those in higher-cost tertiary facilities in Boston. Additionally, care metrics such as hospital acquired infections will worsen with overcrowding and both the hospital's reputation and performance rankings will suffer. Local patients will also be pushed toward higher-cost facilities with sufficient beds, thus driving up costs across the health care system.

B. NSMC's request to reduce the project's psychiatric bed capacity will also result in insufficient beds to serve the community's needs.

NSMC/Partners' original Determination of Need application, which was approved by the Public Health Council, was based on a plan to have 120 Psychiatric beds. The system already has

66 Psychiatric beds, broken down as 26 adult beds at the Salem campus, and 20 pediatric beds and 20 geriatric beds at Union Hospital. The application proposed the addition of 54 new psychiatric beds, in recognition of the desperate need for these types of beds in our area. NSMC/Partners now wants to decrease the additional beds by 30, seeking to add only 24 new beds, resulting in only a total of 90 psychiatric beds at NSMC.

Here, too, NSMC/Partners is failing to address the region's need for psychiatric beds. The DoN application notes that in FY 2014, the NSMC adult psychiatry unit was at full capacity 50% of the time, the pediatric unit was at full capacity 21% of the time, and the geriatric unit was at full capacity 28% of the time. The application explains that, viewed another way, on 173 days, **almost half the year**, there were no beds available at the hospital for adult psychiatry patients who presented at the Emergency Department and required admission.

The Lynn Health Task Force met with NSMC leaders about this situation and learned that the average wait time for patients in the Emergency Department who have been determined to need admission is over 16 hours. (This wait time contrasts with 7 hours for patients who require admission to a medical floor.) For patients who are being transferred to another facility, the average wait is over 18 hours. In other words, the wait time for psychiatric patients is more than **double** that of patients with non-psychiatric conditions. We consider these delays to be unacceptable, as is the disparity in in-patient bed availability for patients with psychiatric emergencies.

The original DoN application included a letter from the Commissioner of the Department of Mental Health applauding the addition of 56 new Psychiatry beds and NSMC/Partners' intention to provide "specialized behavioral treatment programs to address the clinical needs of especially vulnerable patient populations, such as adults with co-morbid Substance Use Disorders and children with Autism Spectrum Disorders." The Commissioner noted that "It is often difficult to find appropriate clinical placement for such patients, who may incur significant waiting times in emergency departments.

The Task Force is convinced that the reduced scale of the project if amended will not be adequate to address the need for psychiatry beds in the area and that we will continue to see excessive waits and boarding in the Emergency Department, with some patients transferred to other facilities due to insufficient beds. These delays and transfers interfere with the continuity and appropriate treatment of patients in psychiatric crisis. Further, while the Application for Amendment did not include the specific cost savings associated with reducing the number of psychiatric beds, we do not accept that the savings is justified given the scale of the project and the pressing need for these beds.

**THERE IS NO CHANGE IN CIRCUMSTANCES WHICH JUSTIFIES
NSMC'S PROPOSAL TO REDUCE ITS PROJECT FROM THAT
APPROVED BY THE PUBLIC HEALTH COUNCIL**

NSMC/Partners states that the reason it is seeking approval of the proposed Amendment with construction of fewer Medical/Surgical and Psychiatry beds is that the financial situation of NSMC has worsened. It also claims that "since the Project was approved, significant new inpatient psychiatric capacity is planned in the Commonwealth with approximately 380 new inpatient psychiatric beds..." NSMC/Partners' claim that it was not aware of NSMC's financial situation and of the 380 Psychiatry beds prior to the Public Health Council hearing lacks credibility.

NSMC/Partners appeared before the Public Health Council for this DoN application on July 13, 2016. It announced to the community that it planned to scale back the project on November 2, 2016, but privately it had begun letting the community know as early as October. That announcement was clearly the product of internal discussion and decision-making prior to the November 2 announcement. There were no major unanticipated changes in NSMC's financial situation during that 3 month period. NSMC's financial state and its losses have been well documented and were noted by NSMC in its application for a DoN. In fact NSMC/Partners cited its losses as a primary reason for closing Union Hospital. NSMC/Partners presented its plans for closing Union Hospital as tied to its significant construction plans for Salem Hospital as a way to save money and to improve services. In essence, NSMC/Partners told the community that although they are closing Union Hospital, the community will have a bigger, better, more modern facility to address its needs at the Salem Campus. This was of little comfort to many of the 92,000+ residents of Lynn who stand to lose their only hospital; but realizing the financial burden of keeping both hospitals open, many Lynn residents were willing to acquiesce, knowing that their needs would be met by a bigger, stronger hospital in Salem. Shockingly, just a few months later, NSMC/Partners announced that it had to "trim" its plans for building at the Salem campus. In our view, this is a simple "bait and switch." NSMC/Partners made promises for adding Medical/Surgical and Psychiatry beds in order to assuage the community's understandable and predictable angst over closure of Union Hospital and to win DPH approval of its plans for closure. Having achieved that, it promptly announced that it no longer intended to meet its commitments.

NSMC/Partners' application for Amendment to the DoN states "since the project was approved, significant new inpatient psychiatric capacity is planned in the Commonwealth with approximately 380 new psychiatric beds." The Task Force asked NSMC about these new beds and was informed that reference is to 120 beds at Southcoast Behavioral Health in Dartmouth, 104 beds at TaraVista in Devens, and 152 beds at Signature Healthcare Services in Westboro.

None of these facilities is less than an hour away, with Southcoast being an hour and a half away. These beds are **not** a meaningful solution to the lack of psychiatry beds in the Lynn-Salem area. Furthermore, there is **nothing** “new” about this information. There were press and other public records available both at the time of the filing of the application for the DoN and at the time of the Public Health Council hearing. The Southcoast facility opened in 2015. The TaraVista facility opened in the summer of 2016, and the Westborough facility has been in development since at least January of 2016. It appears that this information is being described as “new” in order to justify NSMC’s retrenchment of its plans; but none of this information became available after the July 13, 2016 approval of the DoN and, as noted, the beds in these facilities are **not** a meaningful response to the needs of acute psychiatric patients in the NSMC service area.

**NSMC’S ATTEMPT TO RENEGE ON ITS COMMITMENT TO
OUR COMMUNITY WILL NOT ADEQUATELY ADDRESS NEEDS
IN THE AREA AND SERVES TO UNDERMINE BOTH
THE DON PROCESS AND PUBLIC TRUST**

As we have noted, the Lynn community lost one hospital in the 1990s and is now about to lose its one remaining hospital. NSMC/Partners presented its DoN proposal to DPH and had it approved by the Public Health Council in July, 2016 promising benefits including more effective utilization of complex evolving technology and enhanced sub-specialization. It also reported that NSMC/Partners was committed to meeting the many health needs of the service area, and that it had determined that the project was right-sized to meet demand. Through the Essential Services and DoN proceedings, DPH evaluated the plan, reviewed an independent cost analysis and determined that the capital expenditure at Salem Hospital, including the addition of 48 new private Medical/Surgical Beds and 56 Psychiatric Beds was needed (Determination of Need decision), was sustainable (Determination of Need), was fiscally sound (Independent Cost Analysis), and that the plan for meeting the needs of area patients following closure of Union Hospital was adequate (Essential Services decision).

In the larger picture, we fear that underinvestment in NSMC will result in a self-fulfilling prophesy. MGH opened the Ambulatory Care Center in Danvers in the summer of 2009 which has siphoned off many commercially insured patients to the ACC, leaving NSMC with a less desirable payor mix. Revenue generating services like outpatient care, day surgery, imaging and others moved from Union and Salem hospitals, siphoning off revenue needed to sustain less profitable services. Similarly, Partners moved the cardiac surgery unit from NSMC to MGH. The more that profitable services are moved away from NSMC, the worse its financial performance will be. While the profitable services will continue to generate revenue for the Partners system NSMC is left looking like a liability and a drain, while in fact patients in the NSMC service area are still using Partners facilities, but not NSMC. Having now lost two hospitals in Lynn, we are

left wondering if Partners will ultimately close or substantially downscale NSMC too because of its operating losses.

Both NSMC/Partners in the application for a DoN and Feeley and Driscoll in the Independent Cost Analysis provide ample evidence that the increased beds and increased revenue would provide cost-effective and sustainable growth for NSMC. Investing in an improved hospital infrastructure will lead to better care, reasonable costs and adequate access to a chronically underserved population with serious health needs. While plans like an improved lobby and coherent access to NSMC may seem trivial, the investment in making a community hospital as functional and updated as any in the Partners system is important to the very community NSMC/Partners claims to serve. We want our remaining local hospital to be as robust and efficient as any hospital in Massachusetts. This is what NSMC/Partners originally offered, and this is what our community needs and deserves.

Finally, Partners is a non-profit, charitable organization with a mission and, indeed, an obligation, to serve the medical needs of **all** patients. Partners made a commitment to this community that, while it is closing Union Hospital, it would create beds at Salem Hospital that would meet the region's needs. Its sudden announcement, shortly after the DPH approval, that it was scaling back its plans significantly due to "new" circumstances, undermines community trust and strains credibility. The changed plans were not based on any change in the assessment of the community's medical needs – they seem to be simply an attempt to reduce capital expenditures. We believe that Partners can afford to make good on its original commitment to our area, and do not see any justification for the change in plans.

CONCLUSION

In sum, the Lynn Health Task Force asks that the Department of Public Health deny the request for Amendment of the DoN. NSMC/Partners has not shown any new information or circumstances that warrant a change from the approved project. Most importantly, the project as contemplated by the Amendment does not provide adequate beds to address the medical needs in the hospital's service area once NSMC/Partners closes Union Hospital. The request to reduce the number of Medical/Surgical and Psychiatry beds at Salem Hospital should not be approved unless or until there is evidence that the bed count will be sufficient to serve our community.