Lawrence General Hospital

Exhibit C

Questions

1. For each year, 2009 to present, please submit a summary table showing your operating margin for each of the following three categories, and the percentage each category represents of your total business: (a) Commercial business, (b) Government business, and (c) all other business. Include in your response a list of the carriers or programs included in each of these three margins, and explain and submit supporting documents that show whether and how your revenue and margins are different from your HMO business, PPO business, or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled.

***RESPONSE***

Refer to attached Appendix A

1. If you have entered a contract with a public or commercial payer for payment for health care services that incorporates a per member per month budget against which claims costs are settled for purposes of determining the withhold returned, surplus paid, and/or deficit charged to you, including contracts that do not subject you to any “downside” risk (hereafter “risk contracts”), please explain and submit supporting documents that show how risk contracts have affected your business practices, including any changes you have made, or plan to make, to care delivery, operational structure, or to otherwise improve your opportunities for surpluses under such contracts, such as any changes to your physician recruitment or patient referral practices. Include in your response any analysis of the impact of changes in your service mix, payer mix, or patient member type (e.g., HMO v. PPO, fully-insured v. self-insured) on y our opportunities for surpluses.

***RESPONSE***

Lawrence General Hospital has not entered into any contract with a public or commercial payer for health care services that incorporates a per member per month budget against which claims costs are settled during the period 2009 to present.

1. Please explain and submit supporting documents that show how you quantify, analyze, and project your ability to manage risk under your risk contracts, including the per member per month costs associated with bearing risk (e.g., costs for human resources, reserves, stop-loss coverage), solvency standards, and projections and plans for deficit scenarios. Include in your response any analysis of how your cots or risk-capital needs would change due to changes in the risk you bear on your commercial or government business.

***RESPONSE***

Lawrence General Hospital does not currently participate in any risk contracts and has not for the period since 2009 as stated in Question 2 above.

1. Please describe and submit supporting documents regarding how, if at all, you track changes in the health status of your patient population or any population subgroups (e.g., subgroups by carrier, product, or geographic area).

***RESPONSE***

Typically, under risk contract arrangements, health plans will utilize health status indicators and report changes in health status for their populations to providers.  Since we have not been in risk contracts, we have not received these types of reports.  However, we have begun exploring opportunities to receive this data and capabilities to better manage the care of our patients to achieve optimal health status.

1. Please submit a summary table showing for each year 2009 to 2012 your total revenue under pay for performance arrangements, risk contracts, and other fee for service arrangements according to the format and parameters provided and attached as AGO Exhibit 1 with all applicable fields completed. Please attempt to provide complete answers. To the extent you are unable to provide complete answers for any category of revenue, please explain the reasons why. Include in your response any portion of your physicians for whom you were not able to report a category (or categories) of revenue. Responses must be submitted electronically using the Excel version of the attached exhibit. To receive the Excel spreadsheet, please email [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us).

***RESPONSE***

Refer to attached Exhibit 1 AGO Questions to Providers and Hospitals

1. Please identify categories of expenses that have grown (a) 5% or more and (b) 10% or more from 2010 to 2012. Please explain and submit supporting documents that show your understanding as to the factors underlying any such growth.

RESPONSE



1. Please describe and submit supporting documents regarding any programs you have that promote health and wellness (hereinafter “wellness programs”) for (1) patients for whom you are the primary care provider; (2) patients for whom you are not the primary care provider; and (3) employees. Include in your response the results of any analyses you have conducted regarding the cost benefit of such wellness programs.

***RESPONSE***

The Hospital does not employ or own physician group practices (other than a practice with less than 5 providers). Instead we have recently formed a PHO which includes 350 physicians.  We envision expanding our wellness programs that are currently focused on discharged inpatients ongoing care, and community-based wellness to expand to include programs for patients who rely on our PHO primary care physicians.  For our patients, we have cancer support groups, and community chronic disease support groups in connective with Elder Services of the Merrimack valley.  We also have Schwartz Rounds which provides support for caregiver community at large.  We also offer car seat clinics for community, bicycle safety helmet checks and awareness education, and stroke education programs for elderly.

For employees we have a number of wellness programs. They include flu shot clinics, smoking cessation, heart depot, and walking programs.  We are planning to become self-insured effective January 1, 2013, and as a result are in the planning process for including additional wellness opportunities.