

UMMHC Transfer of Ownership of Marlborough Hospital

1. "It joined the predecessor system to UMass Memorial in 1995." What was that system and provide some context pls?

On April 27, 1995, Worcester City Campus Corporation (WCCC), a health system that included, and was controlled by, the academic medical center at the University of Massachusetts at Worcester, executed an Affiliation Agreement with Marlborough Hospital, among others, pursuant to which WCCC controlled Marlborough Hospital. In 1998, WCCC transferred to UMass Memorial Health Care, Inc. its ownership interests in many entities, including Marlborough Hospital.

2. Does the Patient Panel reflect the demographics of the region? (Does it reflect the census data?)

Yes, the Patient Panel is reflective of the demographics of the region.

3. "Applicant anticipates there will be a reduction in transfers from Marlborough leading to an estimated increase of approximately 4-6 beds available at UMMMC's University and Memorial campuses" Is this daily, weekly, monthly?

This is on a daily basis, which with an average length of stay of six (6) days at UMMMC, translates into the ability to care for 20-30 additional patients monthly that UMMMC currently cannot accommodate.

4. Does the Applicant have the medical and nursing staffing capacity to shift staff to cover Marlborough?

As noted in the DoN application, having a single hospital license for UMMMC inclusive of Marlborough Hospital as a campus will allow for better use of existing physician (employed and private) staff to support patient needs especially as the physician staff changes in Marlborough over time whether through retirement or resignation. A 'one hospital license' approach will allow the proposed Marlborough campus to better adapt to these changes both in the short and long-term limiting the impact on patient access and the potential need for higher cost solutions to meet patient needs.

UMMMC expects that it will provide Marlborough campus patients with better access to teleconsult and on call physician coverage that historically has been provided at Marlborough Hospital either through internal or external physician purchase service agreements. Typically, these external teleconsult and on call physician services are purchased at higher rates than the cost of internal UMass Memorial Medical Group (UMMMG) coverage, which when fully integrated into the UMMMC operations could result in decreased cost to operate the Marlborough campus. By offering easier access to teleconsult and on call physicians there is also the potential for more patients to stay at Marlborough campus for their ED and inpatient care versus needing to be transferred to UMMMC and tying up emergency department and inpatient beds that could have been used by more acute patients. Additionally, UMMMC anticipates that by integrating Marlborough as a campus that a larger pool of physicians supporting both teleconsult and on call coverage could result in improved physician job satisfaction at the Marlborough campus thus reducing the potential for physician burnout. UMMMC also plans to expand its existing intern and resident program to Marlborough campus patients that will not only bring a teaching hospital approach to patient care but also provide additional resources to physicians for patient care in the hospital.

UMMMC will continue to assess the needs of Marlborough campus patients to determine how it can better provide care to the community and the patients it serves. Depending on community and patient needs, UMMMC will assess the different options that may also include the expansion of physician resources to the Marlborough campus either to address increased volume or patient need. If the identified new physician resources at Marlborough campus cannot be met with the existing UMMMC's physician workforce it may require UMMH to recruit externally, which could result in increased cost to Marlborough campus's operations as not all physicians are able to cover their cost through physician

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billings. The goal would be to provide a fiscally responsible solution to keeping low acuity care local while reserving the UMMMC Memorial and University campuses for higher acute care.

Unlike physicians, there is less flexibility in being able to shift nursing coverage to Marlborough based on existing MNA contracts at all UMMH hospital campuses. The presumption is that these conditions are no different than other Massachusetts hospital facilities that are operating under an MNA contract. UMMMC does anticipate that by having Marlborough as a campus it could help in its recruitment of new nurses to the campus as well as provide an excellent training ground for new nurses entering the workforce needing relative work experience should they want to transition to an academic medical center environment later in their career. In short, the same core nursing training process employed at UMMMC will be used at Marlborough campus making it an ideal training ground for new and existing nurses.

5. Other than the previously explained administrative savings, please elaborate on the anticipated savings from reducing medical staff coverage for MH.

Please note the Proposed Merger will not reduce medical staff coverage at Marlborough campus, The change to medical staff coverage is an anticipated increase in the number of covered clinical services at the Marlborough campus. The Applicant anticipates a reduction in the cost of this coverage in cases where the services switch from private physicians to UMMG as fair market values for such services are generally higher for private physicians than they are for employed physicians. The total cost of covered clinical services may increase because of added clinical services at Marlborough. Ultimately more covered clinical services will help to keep more patient care at Marlborough campus rather than requiring patients to receive higher cost care at the Memorial and University campuses.