

Berkshire Health Systems, Inc.
North Adams Regional Hospital
DoN # BHS-23072710-OL

APPLICANT QUESTIONS #3

Responses should be sent to DoN staff at DPH.DON@State.MA.US

While you may submit each answer as available, please

- List question number and question for each answer you provide
- Submit responses as a separate word document, using the above application title and number as a running header and page numbers in the footer
- When providing the answer to the final question, submit all questions and answers in one final document
- Submit responses in WORD or EXCEL; only use PDF's if absolutely necessary. If "cutting and pasting" charts, provide them in a PDF so they can be clearly seen
- **Whenever possible, include a table with the response**

Factor 1a: Patient Panel Need

- 1. To better understand Patient Panel need for the Proposed Project in North Berkshire, provide a breakdown of the BMC Acute Care Patients North County Patient Population and the North County Outpatients Patient Population by zip code for FY22. If the count for a zip code is < 11 use Other and specify which cities/towns are included in that category.**

Response: BMC Acute Care Patients North Count Patient Population by Zip Code

Zip Code	BMC Acute Care Patients with a North County Zip Code
01220	867
01225	321
01247	1,883
01256	42
01267	558
01270	42
01343	*
01350	*
01367	12
05261	21
05350	15
05352	33
12022	*
12138	*
12168	74
Other	21* ¹
Total	3,890

¹ *Other Zip Codes for Acute = 01343, 01350, 12022, 12138

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Response: North County Outpatients by Zip Code

Zip Code	North County Outpatients Unique Patients	North County Outpatients Number of Visits
01220	7,163	97,188
01225	2,809	35,709
01247	12,227	167,921
01256	547	5,902
01267	5,699	63,264
01270	586	6,630
01343	90	805
01350	27	265
01367	81	997
05261	419	4,200
05350	230	2,172
05352	553	5,190
12022	63	631
12138	95	905
12168	590	5,249
Use of NC Location Services for patients who live Outside NC Service Areas	4,067	11,776
Total	35,246	408,804

- 2. To better understand Patient Panel need for the Proposed Project, please explain the following changes in the Patient Panel and patient populations from FY20 to FY22:**
- a. BHS Patient Panel decrease by 9% between FY20 and FY22.**
 - b. North County Outpatients decrease by 4% between FY20 and FY22.**
 - c. BMC Acute Care Visits increase by 71% between FY20 and FY22.**

Response: The fluctuations in the Patient Panel noted above is the result of a combination of factors and is not reflective of demand for services. In general, Berkshire County's population has remained relatively stable during this period. The general population is gradually becoming more diverse and includes a higher than average population age 65 years or older who are high users of health care services. In March of 2020, BHS had its first COVID case and soon thereafter, state-imposed limitations on all non "COVID-19 Essential Services" led to limitations on services across the system. When state limitations were removed, the ramp up to pre-COVID utilization of services across the systems was slow.

2a) Evidence that the data is not always reflective of the demand, BHS Patient Panel unique patients decreased by 9% from FY20 to FY22, while at the same time the BHS Patient Panel had a 56% increase in visits. One reason that the BHS Patient Panel saw a bump in FY20 and FY21 is because at the onset of the Pandemic patients were not receiving non essential services not related to COVID-19; however, through this period as COVID-19 testing and treatment increased, patients began to get missed labs and other preventive services that they put off early in the Pandemic.

2b) Similar to the BHS Patient Panel, there was a 4% decrease in unique North County patients; however, there was a 48% increase in the number of visits. This increase in visits is reflective of the

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increasing acute needs of this patient population. One reason North County saw a decrease in unique outpatients is because of the state-imposed limitations on services delivered during this period, as well as challenging environment for physician recruitment and retention. As noted in the DoN application, certain North County physicians began to reduce their practice or retired, one physician was on maternity leave, and new physicians were ramping up their practice. One of the benefits to this Proposed Project is to create a more comprehensive healthcare delivery system in North County that will support physician recruitment and retention.

2c) The increase in BMC acute care visits is a reflection of North County's acute needs that required services beyond those offered at the BMC Outpatient Satellite in North County. As the Pandemic subsided, utilization also increased as North County patients were more willing to travel to BMC in Pittsfield for inpatient / observation level care and other outpatient services only offered at BMC because of provider availability.

Population of Acute Care Surgical Visits	FY 20	FY22	Change
	Number	Number	Percent
North County	635	1395	120%
Non-North County	2,112	3777	79%
Total	2,747	5172	88%

3. Since FY20, the Age 65 and older population for BHS, BMC Acute Care and North County Outpatients has been decreasing. Do you expect this trend to continue?

Response: As of July 1 2022, 26% of Berkshire County is age 65 or older². While unique patients in this population declined between FY20 and FY22 as noted in Question 2, the overall visits for this age group increased for the BHS Patient Panel and the North County Outpatients as demonstrated by the chart below. On one hand, a significant cause in the decline in unique patients was the impact of COVID-19 on this vulnerable senior population. As noted above, there was a significant reduction in the number of patients wishing to access care due to public health restrictions and patient apprehension regarding entering medical facilities. As of the last weekly DPH COVID-19 Public Health Report³ (June 24, 2021), Berkshire County had 112 confirmed deaths in long-term care facilities, which does not include seniors who died of other causes that may have been related to Covid-19. On the other hand, despite the apprehension this age group is presenting with more acute needs, which require more services.

² <https://www.census.gov/quickfacts/fact/table/berkshirecountymassachusetts/INC110219>

³ <https://www.mass.gov/doc/weekly-covid-19-public-health-report-june-24-2021/download>

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Fiscal Year	Population	BHS Patient Panel	BMC Acute – North County Patients	North County Outpatient
FY 20	Unique Patients	146,286	NA	36,806
	Unique Patients age 65+	45,686 (31.23%)	NA	10,493 (28.51%)
	Patient Visits	950,065	2,279	276,494
	Patient Visits age 65+	409,492 (43.10%)	1,270 (55.73%)	114,844 (41.54%)
FY 22	Unique Patients	132,669	NA	35,246
	Unique Patients age 65+	37,794 (28.49%)	NA	9,358 (26.56%)
	Patient Visits	1,493,971	3,890	408,804
	Patient Visits age 65+	658,242 (44.06%)	1,800 (46.27%)	173,935 (43.53%)

4. The Applicant is projecting 1,141 discharges at NARH after project implementation. Explain the sources that will contribute to the projected volume (i.e., Existing volume from BMC, new volume from unmet need).

Response: In projecting the 1,141 discharges at NARH after project implementation, the Applicant considered two distinct methodologies: 1) medically appropriate patients historically admitted to BMC from North County and 2) Fairview Hospital's unique patients and its catchment area population relative to North County population.

Based on this, the projections of 1,141 discharges is made up of 741 acute discharges and 400 observation discharges, and results in combined average daily census (ADC) of 9.39. Of the ADC, approximately 8.39 patients represent existing volume from BMC and 1.0 patient that is expected to transition from Southwestern Vermont Medical Center, remaining in North Adams when the Proposed Project is implemented.

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5. In FY22, there were 3,890 (BMC) Acute Care Patients North County Patient Population visits.
- a. How many of those visits were discharged to another facility for post-acute care?
- i. Where are patients going for post-acute care and what are the distances traveled.

Response: In FY22, of the 3,890 discharges of North County Patients at BMC there were 562 discharges from BMC to another facility for post-acute care. As you will see in the chart below, facilities in North Adams (Williamstown Commons and North Adams Commons) receive the majority of discharges, however, approximately 20% of the patients did not receive nursing care close to home. Further, there are limited post-acute options in North Adams.

Post-Acute Location	Number	Distance from BMC in miles	Distance from NARH in miles
SNF	527		
Williamstown Commons	201	21.2	5
North Adams Commons	187	21.7	0.8
Hillcrest Commons	29	3	22.1
Mt. Greylock	32	0.6	20.3
Kimball Farms	6	8	28.5
Fairview Commons	10	20.5	48.4
Springside	18	4	25
Craneville Place	21	4	20
Mount Carmel	5	5	26
Lee Healthcare	4	10	31
Berkshire Place	2	1	23
Out of County/State SNF	12	Ranges from 31.3 to 106 with an average of 43.9	Ranges from 17.8 to 117 with an average of 48.2
Rehab	35		
BMC Acute Rehab	33	0	22
FVH SWING	2	22	43

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- b. Provide any evidence of long wait times for admittance to a facility for post-acute care.**

Response: In addition to the overall median occupancy rate of 92%⁴ for Berkshire County skilled nursing facilities, the biggest barrier to discharge to post-acute facilities for the Applicant is for patients who need IV antibiotics. These patients often remain in the hospital for 30+ days without a SNF able to meet the care needs of that patient. Other barriers are for wound care, SUD services⁵ or bariatric beds.

BMC case management tracks barrier days (i.e. days when a patient is ready for discharge but has no appropriate discharge location). In FY22, there were 583 barrier days unrelated to patient preference because there was no available SNF bed. This affected 307 of the 527 patients (58%) discharged to SNFs per the chart above. On average, these patients had a three-day wait. In FY22, there were 107 barrier days because of a transportation delay. In connection with those delays 89% (95 of the 107 days) were related to either the lack of transportation or the inability to schedule transportation within the narrow admission windows made available by the SNFs. The swing beds at the new facility will assist with these throughput issues.

- c. Of the 3,890 visits, how many represent a transfer from a SNF or LTC facility to BMC for care?**

Response: In FY22, 187 visits were from patients who came to BMC from a SNF or LTC at the start of their encounter.

- 6. The Department held a virtual public hearing on October 25th in connection with the Proposed Project. At the public hearing, several commenters expressed concern about the number of swing beds that will be certified for use at the proposed facility. The application states that the proposed facility will have 18 licensed M/S beds, which will also be certified for use as swing beds for sub-acute care.**

- a. To better understand the anticipated use of the proposed swing beds, provide the number of beds that will be certified for use as swing beds, whether the number of swing beds will fluctuate and if so, what criteria will be used to assess how many swing beds will be available.**

Response: All 18 beds at the proposed project will be licensed and certified as hospital beds. Consistent with Medicare's Critical Access Hospital requirements a CAH may use hospital beds to meet their care needs of patients who no longer need acute care but who continue to need care at the sub-acute level. It is important that all beds are able to have a "swing bed" approval as patients are not transferred to a different bed to receive subacute care but continue in the same bed. There is no change in the

⁴ See CMS HHSN Weekly Data (also cited in the Massachusetts Senior Care Association November 3, 2023 written comments to the Application).

⁵ With Applicant's behavioral health resources, there is an opportunity to add hospital-based outpatient treatment in coordination with a swing bed stay.

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certification of the bed when occupied by a “swing” patient. As stated specifically in Appendix W in the CMS State Operations Manual, Section 485.645, a “swing bed” is a change in reimbursement status and not in certification.

Federal approval allows the use of hospital beds to provide acute services or SNF care as needed without the need to seek separate certification. It is up to CMS to approve a Critical Access Hospital request to furnish swing bed services. Although SNF certification is not required, eligibility for approval depends on, among other things, substantial compliance with SNF participation requirements under §485.645(d)(1–8), (including resident rights; admission, transfer, and discharge rights; freedom from abuse, neglect, and exploitation; social services; comprehensive assessment, comprehensive care plan, and discharge planning; specialized rehabilitative services; dental services; and nutrition) and the Critical Access Hospital specific swing bed requirements under the SNF regulations at §483.

- 7. The application states BHS has observed that patients in North County tend to defer or avoid care due to lack of transportation (and financial resources) and/or available social supports, and that it is apparent to BHS that the number of diagnostic and therapeutic procedures performed on patients from North County are lower than would be expected based on patient numbers (pg.3 Narrative).**
 - a. Please provide data or evidence showing that patients in North County are postponing or delaying care.**

Response: In addition to comments the Applicant has received from the North Adams community about delays in care because of the challenges with getting to BMC, the utilization data and increased case mix index for North County patients indicates that North County patients are more acutely ill then previously. For example, there was a 120% increase in surgical visits for North County residents compared to 79% in the rest of the BHS Patient Panel. One could reasonably conclude that delays in care are one reason for this increase.

- 8. The application provides the ALOS for the BMC Acute Care Patients North County Patient Population and notes that although Inpatient LOS is over 4 days there are patients in this group that would not have been eligible for hospitalization at North Adams due to the severity of their illness and expectations of a greater than 96-hour length of stay (Appendix II.H).**
 - a. In FY22, how many of the patients would have been ineligible for hospitalization at North Adams due to the severity of illness?**

Response: The BMC Acute Care North County patient population represents the patient population that will utilize inpatient and observation services in North Adams and does not include North County patients who received services in BMC’s ICU Progressive Care Unit or behavioral health patients. As a result, most if not all of the BMC Acute Care North County patient population should be eligible for hospitalization at North Adams. Medicare rules for CAHs provide that the annual average patient length of stay over the course of a federal fiscal year is 96 hours. This rule does not preclude patients who have shorter or longer stays, provided the annual average stay for the CAH is 96 hours. Additionally, certain patients within the BMC Acute Care North County patient population likely had an unnecessary stay longer

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than 96 hours because of barriers to discharge to an appropriate post-acute setting. This is one reason why the swing bed designation is important for CAHs.

- 9. The application states that NARH's surgical and endoscopy procedures will also operate efficiently with 4 mixed inpatient/outpatient operating rooms (comprised of existing open and closed operating and endoscopy rooms from the prior hospital and current satellite facility). The staff will be able to use the rooms for all types of procedures which reduces wait times and will be able to meet all surgical and endoscopy needs without having two separate teams (Narrative pg. 13).**
- a. Will the plan for staffing the mixed inpatient/outpatient ORs be different from the staffing of the existing ORs and procedure rooms?**
 - i. Will you require additional staff?**
 - ii. Will the staffing model change from the existing ORs and procedure rooms?**

Response: Repurposing the space to have 4 ORs will result in a more efficient staffing model and does not require additional staff. Currently the ORs and the procedure rooms are located in separate suites. This requires the Applicant to separately staff each suite with a pre and post-op nurse and a minimum of two anesthesiologists. Repurposing the space will locate all 4 ORs in one suite which will allow the Applicant to achieve efficiencies in staffing – for example, they would only need 1 pre-op and 1 post-op nurse, and 1 anesthesiologist supervising CRNAs. This efficient staffing model will positively contribute to and reduce the Applicant's total medical expenses.

- 10. The application states that North County is served by a single bus line on U.S. Routes 7 and 8, and there is almost no access to services like Uber (footnote 5).**
- a. With limited transportation options, how will residents without access to a car access the proposed facility? Will the hospital offer transportation assistance to residents that require it?**

Response: The Applicant will offer taxi vouchers to those who do not have transportation.

- 11. The Financial Impact Analysis states that though an updated inpatient bed assessment was not funded through this feasibility analysis, it is believed that there continues to be a significant need for inpatient care in the service area based on additional information collected in the CAH evaluation process (pg.20).**
- a. What additional information collected in the CAH evaluation process affirms the significant need for inpatient care in the service area and the need to establish a CAH with 18-21 licensed beds to address the need?**

Response: In 2014, when the former North Adams Regional Hospital abruptly closed, the Massachusetts Department of Public Health, Office of Rural Health engaged Stroudwater Associates (Stroudwater) to provide an independent and objective third-party assessment of the health care market in the North Adams region. In the 2014 report, Stroudwater found there was need for re-establishing inpatient

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services “*only if*” the hospital could be designated as a CAH. In the 2014 report, Stroudwater noted that through their analysis of market demand there was existing need of 18-21 beds.

In 2023, the Department of Public Health, Office of Rural Health re-engaged Stroudwater to update the 2014 report to re-evaluate the need for inpatient services in North Adams given the change in the CMS regulations that would allow the Applicant to pursue a CAH designation for the hospital. In the 2023 report, Stroudwater confirmed the need of 18-21 beds from the 2014 report by looking at the following data points for this population some of which were provided by the Department of Public Health Office of Rural Health: health outcomes, socio-economic status, age of population, level of chronic diseases, substance abuse and smoking.

12. Are patients receiving services at the BMC satellite facility currently screened for SDOH?
a. What SDOH domains will the Applicant screen for at the proposed facility?

Response: Currently, all patients seen at BMC’s Satellite Emergency Facility (SEF) in North Adams can be assessed based on their social history for SDOH including with respect to insecurities related to housing, food, transportation, and utilities (phone and heat) and issues concerning education, employment and domestic issues, and documented as part of their social history assessment. The Applicant is working to make sure a formal screening SDOH process will be completed for each patient at NARH and is updating its workflows to match the PRAPARE tool, which will allow a patient to decline answering any topic they choose. NARH will screen for all domains listed when a patient is admitted or when a patient comes to the emergency department and has not had a screening completed in the last 90 days. The screening compliance will be monitored through NARH’s QAPI program and reported as part of the CAH quality indicators.

Factor 1f: Competition on Price, Total Medical Expenses (TME), Costs and Other Measures of Health Care Spending

- 13. The application states that the Stroudwater report stated that the Proposed Project’s revenues will offset the costs, and that this may result in a slight impact on the Commonwealth’s total medical expenses (TME); however, the Proposed Project brings numerous benefits and improved health outcomes to this rural area of the Commonwealth which greatly outweighs the marginal impact it will have on TME (Narrative pg.6).**
- a. Given that the proposed facility will receive cost-based reimbursement from Medicare at 101% of their reasonable costs as well as other cost based reimbursement for swing beds, ambulance transports, outpatient services and telehealth, explain how the proposed facility will compete towards a reduction in costs of care? Is there any evidence from Fairview Hospital to support the assertion that the proposed CAH will compete based on price, TME, costs and/or other measures of health care spending.**

Response: The CAH designation was created by Congress through the Balanced Budget Act of 1997 as a mechanism to reduce the financial vulnerability of rural hospitals and improve access to care by keeping essential services in rural communities. The importance of rural health care continues to be a priority, which is highlighted by the regular articles in the press. A key factor in the CAH designation is reasonable cost-based reimbursement, which contributes to ensuring that health care services can be supported in

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rural communities. The Applicant has seen this work successfully at Fairview Hospital, its other critical access hospital in Great Barrington where the population in Fairview's service area is less dense than that of North Adams.

A primary goal of the Proposed Project is to provide access to inpatient care close to home for North County residents to ensure they are receiving timely care in the appropriate setting. We anticipate that the Proposed Project will contribute to the long-term reduction in TME by ensuring patients timely access to the care they need both on an outpatient and inpatient basis⁶. We also hope that patients who have elected to go across the border to Southwestern Vermont will return to NARH for their health services when the inpatient beds reopen. Bringing these patients back into the health care system in their local community should reduce the TME as it will ensure their care is coordinated across their providers through an integrated EMR and will result in lower MassHealth costs for their care as out of state providers are reimbursed at a higher rate than the Applicant.

Additionally, the swing beds further contribute to a lower TME. As stated by Medicare, "[t]he swing-bed concept allows a CAH to use its hospital beds interchangeably for either acute care or post-acute care. A "swing-bed" is a change in reimbursement status. The patient swings from receiving acute-care services and reimbursement to receiving skilled nursing (SNF) services and reimbursement. Swing-bed patients receive a SNF level of care, and the CAH is reimbursed for providing a SNF level of care, however swing-bed patients are not SNF patients. Swing-bed patients in CAHs are considered to be patients of the CAH. NOTE: Swing-beds must not be confused with beds in a skilled nursing facility (SNF) or nursing facility (NF), including a distinct part SNF/NF, that shares the same building/campus as the CAH but is a separately certified provider with its own Medicare provider agreement."⁷

14. The application states that much of the North County patient population already receives health care from the Applicant either through the BMC Satellite Services or observation and/or inpatient care a BMC, so the overall cost to the patient should remain that same (Narrative pg. 6).

a. Will Medicare's cost-based payments impact cost sharing for Medicare beneficiaries? Do you have any evidence from Fairview Hospital to show how it will impact patient costs?

Response: Consistent with reimbursement methodology for all critical access hospitals, Medicare patients that receive services in the emergency room under observation status and then are admitted to an inpatient bed will have different cost sharing because Medicare treats these as separate events. The Applicant estimates that 2% or less of the subset of BMC North County patients who will be impacted by this additional cost-sharing do not carry a secondary insurance that will cover this additional cost. Consistent with Fairview Hospital's approach to this cost-sharing, the Applicant will support those patients and any other eligible patients through its financial assistance policy.

⁶ The Determination of Need Program has cited in numerous staff reports that "increasing access to care and reducing delays in diagnoses and treatment can reduce costs."

⁷ [Medicare State Operations Manual, Appendix W](#) See the Interpretive Guidelines for §485.645

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Factor 5

15. How did the Applicant determine that the only alternative to the Proposed Project is to continue with the status quo?

- a. Were there any other alternatives explored from a quality, efficiency, capital expense, and/or operating costs perspective.**

Response: From the time that the Applicant took over hospital services in North Adams, they have continuously explored alternatives from a quality, efficiency, capital expense and/or operating cost perspective. The Applicant has implemented numerous initiatives resulting in not only bringing back the full array of outpatient services provided by the former hospital, but has expanded to add dialysis and cardiac rehabilitation. The Applicant is committed to serving North County and would not reduce services.

In 2014, when the former hospital abruptly closed, Stroudwater confirmed it was not feasible to reopen the hospital inpatient beds without the CAH designation; however, the hospital could not qualify as a CAH under the federal rules at that time. It was only a recent change in federal regulations that allowed the Applicant to follow through on Stroudwater's recommendations in the 2014 report and reopen the inpatient beds as a CAH. If the Applicant could have reopened the North Adams Hospital as a CAH back in 2014 as recommended by Stroudwater it would have done so.

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