

Nora Mann, Director  
Determination of Need Program  
Massachusetts Department of Public Health  
99 Chauncy Street  
Boston, MA 02111

Dear Director Mann:

GoTeach (our 10 Taxpayer Group) and The Greater Boston Interfaith Organization are deeply concerned that a merger between the Beth Israel Deaconess-led Caregroup and Lahey Health System, along with Anna Jacques Hospital and the related physician-hospital contracting organizations, could result in an increase in both system as well as family healthcare costs for Massachusetts citizens.

As ordinary citizens we do not have the specialized knowledge to determine whether this merger will, in fact, increase spending. While we have suggested areas of study and possible conditions listed below, we believe that it is the duty of the Department of Public Health, under its Determination of Need (DON) Regulations to allow this merger to go forward only if there is no substantive negative effect on access, cost, or quality of health care services for Massachusetts citizens and taxpayers. Further, we believe that the Determination of Need Factors, especially under 100.210 (1)(b), (c), & (f); and (2)(a)<sup>1</sup> as they pertain to cost containment, access to existing care, and outcomes and quality of life; are only meaningful if there is a consideration for whether or not this merger will add to any affordability concerns tied to premiums and out-of-pocket spending for patients and premium payers at all income levels.

On December 12, the Health Policy Commission voted to complete a Cost and Market Impact Review of the proposed transaction. While we have written to encourage them to conduct analyses that address the breadth of issues noted below, we believe that DPH has an independent responsibility to assure that the following questions are examined in order to determine that all DON conditions have been satisfied:

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<sup>1</sup> (1) Applicant Patient Panel Need, Public Health Value, and Operational Objectives.

- (b) The Applicant has demonstrated that the Proposed Project will add measurable public health value in terms of improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity;
- (c) The Department has determined that the Applicant has provided sufficient evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, sufficient evidence that the Proposed Project will create or ensure appropriate linkages to patients' primary care services;
- (f) The Applicant has demonstrated that the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending.

(2) Health Priorities.

- (a) The Applicant has sufficiently demonstrated that the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation.

1. Analysis of scenarios not only where the merger gains market share at the expense of Partners, but also other scenarios where varying levels of market share are taken away from other lower-cost providers in the market. The analysis should not only be tied to fee-for-service arrangements, but include a study of impacts for hospital and physician services in a world of capitated payments as well.

2. Modeling projections as to what would happen to the lower-priced providers in terms of viability and overall patient revenue flow. This analysis should include access to care, implications for medical education, and other important considerations if some of our current provider systems are destabilized as a result of the proposed transaction. It may be especially important to include the impact of a reduction of commercial business for some of the providers that currently provide care for a high proportion of Medicaid patients and who depend on commercial revenues to get to a point of financial operating stability.

3. Analysis of any specified efficiencies that would result from the merger. These might include items such as specific centers of excellence, or other possible structural changes in the new system to reduce redundancies and operating expenses. The goal of achieving efficiencies and lowering costs is paramount and the parties proposing this merger should be required to detail how this would be achieved in order to satisfy DON requirements.

4. An analysis of the impact of the merger on patient panel members who are on Medicaid, and/or recipients of support from the Health Safety Net Fund. While the merging entities have historically served lower proportions of poorer and uninsured people compared to other provider systems, it is essential that their commitment to serve these populations effectively remains stable, and quite possibly should grow over time.

5. To put in place all necessary conditions to guarantee that:

- premiums and out of pocket spending incurred by the insureds and patients are not increased by this merger;

- all necessary conditions to insure that any efficiencies gained accrue significantly to premium payers and patients;

- that commitments to Medicaid and uninsured patients in their current panel and in their communities are maintained and strengthened; and

- the establishment of all necessary fines and penalties necessary to guarantee the results noted here.

6. We recognize that while a Determination of Need Decision can be rescinded after the consideration of the HPC's CIMR, we believe it is contrary to the public good that a tentative or final decision by the Public Health Council could come forward before a final CMIR report of the HPC is completed. Therefore, we request that the DON Department explore any possible options to stay the decision until the final CMIR is released.

In sum, with the lead analysis coming out of the HPC, we nevertheless believe that DPH staff will need to think and act critically in evaluating whether this merger can lead to a more competitive marketplace with a promise of providing some greatly needed relief from rising health care spending at overpriced providers, or will only add to the mounting health care expenses that

businesses and families confront , and/or possibly even further threaten the viability of other high value healthcare providers if net market share is taken away from the latter.

Accordingly, we write today to strongly urge the DON staff to take all necessary steps, fully study all possible ramifications of this potential merger on the costs to our citizens, and if the transaction is allowed to go forward- put into place a set of sufficient conditions to guarantee protection against the potential harms that HPC or DPH identify that could result from this proposed transaction.

Sincerely,

Bonny Gilbert  
Chair of the GBIO Healthcare Team  
& On behalf of GOTeach

&

Rev. Burns Stanfield, President  
Greater Boston Interfaith Organization

Good evening.

My name is Dr. Howard Grant and I am the President and CEO of Lahey Health. I would like to begin by thanking the Department of Public Health for hosting this meeting and giving us the opportunity to participate. We are here tonight because we have asked the state to approve an affiliation between Lahey Health, Beth Israel Deaconess Medical Center, New England Baptist Hospital, Mount Auburn Hospital and Anna Jaques Hospital.

This community has always had a great passion for Addison Gilbert Hospital and Beverly Hospital, so I am not surprised to see so many of you here. I would like to thank all of you, who took time from your busy schedules to attend this hearing. A number of leaders from our proposed partner organizations are here with us tonight to hear directly from this community.

With this affiliation, our vision is to transform the region's health care delivery system, creating a stronger, and more integrated organization designed to provide expert care, a superior patient experience and unparalleled value in a rapidly changing health care environment. As separate health systems

we can continue to provide great care and invest in our communities, but together as one health system we can do so much more. By joining together we will create a health system that has world-class academic medical centers and teaching hospitals, leading community hospitals, and a premier orthopedics hospital, coupled with, and complemented by, compassionate, best-in-class physician networks and clinical strengths in rehabilitation, behavioral health, long-term care and post-acute care.

I'm sure most of you are sitting there thinking that sounds nice, but what does it really mean for me, my family and my community?

Here is what it means:

- As patients, you will have access to all of this in **one network**, and your services will be better coordinated across all of the different aspects of your health care experience.
- Your community will have greater access to specialty care close to where you live and work, and care will be

delivered in the most clinically appropriate and cost-effective setting.

- You will also have enhanced access to an even broader range of sub-specialty services – not only via Lahey Burlington, but now through a Harvard-affiliated academic medical center in Boston – again, all coordinated through this single network.
- It will also mean our care can continue to advance to keep pace with developments in medicine and health care delivery.
  - For example, we will be able to make the investments necessary to increase our focus on keeping large populations of patients healthy, delivering even higher quality care, reducing health disparities in our communities and expanding access to behavioral health services.
  - It also means greater investments in research and education for future generations of clinicians and health care professionals.

- As individual organizations, investments like these are becoming increasingly difficult – sometimes impossible – to manage.
- Finally, on an even broader scale, our state will have a high-quality, lower-cost health system option with services located across Eastern Massachusetts. This means we will have the scale necessary to create insurance products that will be extremely attractive to employers and consumers.

I admit these are ambitious goals. But I know we can do it, because on a smaller scale we have done a lot of it already. It was just five years ago that Beverly and Addison Gilbert joined with Lahey Hospital and Medical Center, then known as Lahey Clinic, to create Lahey Health. In those five years we have been able to attract more patients to each hospital, add primary care physicians, bring more specialty services to the community so patients don't have to travel and maintain jobs and clinical services here, where people need them. My colleague Cindy Donaldson will speak about this in greater detail a bit later in the evening. In the three years since Winchester Hospital partnered with Lahey Health, we have made a similar impact by adding specialists and primary care physicians in the local community.

Similarly, Beth Israel Deaconess Medical Center has community hospital partners in Needham, Milton and Plymouth that have seen growth, investment and the addition of new clinical services in recent years that have revitalized their hospitals.

We are very proud of what we have accomplished in Gloucester, Beverly and Winchester, but there are limits to what we can do alone. We compete every day with some of the most recognized health care brands in the world. Our quality is just as good, if not better than what they offer. However, their financial resources are much greater than ours.

By coming together to create a new health system, we can combine the resources and expertise of each organization with the shared commitment to keeping care in the community whenever possible. This has the potential for great benefits locally and statewide.

Locally, it is a very difficult time to be a community hospital. Every year, we hear about community hospitals that are forced to reduce services, eliminate jobs and in several cases, shut down entirely. By being a part of an even larger system, our

essential community hospitals, including Beverly and Addison Gilbert, will have the resources and clinical infrastructure they need to grow, maintain their competitiveness and adjust to meet the changing health care needs of the community.

Statewide we have the opportunity to make a larger impact. I don't need to tell anyone here that health care is expensive. The state of Massachusetts has made tremendous efforts to lower costs, but they continue to increase year after year. Much of this is driven by the fact that patients are receiving care in expensive settings at the highest price health care institutions in the state.

Lahey Health, Beth Israel Deaconess, New England Baptist, Mount Auburn and Anna Jaques are some of the highest quality and lowest cost health care systems in Massachusetts. As one system, we can offer patients, businesses and insurers the opportunity to receive care from well-respected, high-quality physicians and hospitals at a cost that is significantly lower than higher cost alternatives. If we attract as little as one percent of patients to our new system from higher cost providers it will reduce health care costs by \$16 million. Sixteen million dollars in cost reductions for every one percent of patients is an incredible opportunity.

We are proud of the investments we have made in our community hospitals and are excited that this affiliation will give us the ability to invest even more. We are also excited about the opportunity to create a market-based solution to address Massachusetts health care cost challenges. What we are most excited about in all of this is the opportunity to do more for our patients.

This new system will also give our patients seamless access to new primary care physicians and specialists throughout Eastern MA. Having the best healthcare system in the world is meaningless if people cannot get an appointment. Our new system will give patients access to thousands of physicians who will share integrated medical records to provide seamless, coordinated care in hospitals, physician offices - wherever patients access our system. This will enable us to deliver the best care possible and gives our patients the best experience.

I moved to Massachusetts more than seven years ago to become CEO of Lahey Clinic. I am proud of what we have done, but I know we can do more if we create this new system. We can do more for our communities. Five years ago I stood at a

meeting like this one and told you all that Beverly Hospital and Addison Gilbert should join Lahey Clinic to grow and succeed. That was the right decision, as both hospitals have found renewed success as a part of Lahey Health. I believe that success will continue as part of this new system. It is the right thing for the future of Lahey Health and Addison Gilbert.

I ask that the Department of Public Health approve this affiliation as it has been presented for the benefit of our patients and families and the communities we serve.

**APPLICANT TESTIMONY**  
Department of Public Health Hearing  
December 6, 2017  
Gloucester High School

**TESTIMONY OF MARK GOLDSTEIN**

President & CEO of Anna Jaques Hospital

Good evening, my name is Mark Goldstein and I have been the President & CEO of Anna Jaques Hospital for past 3 years, and Executive Vice President and Chief Financial Officer for 9 years prior to assuming that role.

I wish to thank DPH for the opportunity to testify today and to have our community weigh in on what we believe is a tremendous opportunity to transform the healthcare landscape in Massachusetts.

My testimony today will focus specifically on Anna Jaques Hospital and the positive effects this new system will have on our hospital, patients and community.

Through the vision and charity of Miss Anna Jaques, the hospital was established in 1884 with a \$25,000 gift. Today we are a 123-bed, independent, community hospital serving 17 cities and towns. We are the largest employer in Newburyport with 1,200 employees and have 250 physicians on our medical staff.

Anna Jaques is widely recognized for delivering high quality care and a superior patient experience at a lower cost. We are currently one of a few remaining independent hospitals in the state, as well as one of the lowest paid hospitals in the state – ranked just 5<sup>th</sup> out of 63 hospitals. The hospital has had positive operating margins for the past 12 consecutive years, averaging approximately 1 percent annually.

Anna Jaques is also clinically affiliated with Beth Israel Deaconess Medical Center. Together over the past 7 years, we have brought more highly specialized care directly to our community, as well as offer care coordination to patients who need more advanced care in Boston.

We see on a daily basis patients benefitting from the community-based services we offer in partnership with BIDMC, such as cancer care, maternal-fetal medicine for high risk pregnancies, telestroke services in the emergency department, and primary care practices in Haverhill and Amesbury.

Anna Jaques has enjoyed more than a decade of solid performance by all accounts, from our high quality care to our improved financial position, patient satisfaction, service expansion, and strong reputation.

Yet, we have reached a critical point in our 134-year history. Costs continue to rise while reimbursement rates fall short of compensating hospitals like Anna Jaques for the care we provide. A 1% operating margin is not sufficient to reinvest in our facility and remain a thriving, vibrant community hospital in the future.

The continued viability of not only our hospital but the community hospital network in Eastern Massachusetts is among the fundamental guiding principles driving the creation of the new health system.

The new system will build upon our successful clinical integration with BIDMC, creating a stronger commitment among hospitals that share the same vision and values, and have a stake in each other's success. The leaders of the new system understand that high performing community hospitals like Anna Jaques are critical to containing rising health care costs.

BIDMC and Lahey Health have a proven track record of strengthening their community hospital affiliates. Joining the new health network will increase access to a broader range of services for patients in our region, closer to where they live and work and provided in the most clinically appropriate and cost-effective setting. This in turn will drive more patients to Anna Jaques Hospital and keep more care local. Patients will also benefit from increased access to nationally recognized specialists, as well as better coordinated care at the tertiary level.

Joining the new system provides Anna Jaques with increased flexibility and security that we would be challenged to achieve on our own. The size and scale of the new network offers enhanced efficiencies, access to capital, and improved care delivery.

Anna Jaques is honored to be among the founding members of this new health system that shares our commitment to strengthening high-value, community based health care.



November 21, 2017

Commissioner Monica Bharel  
Massachusetts Department of Public Health  
250 Washington Street, 2<sup>nd</sup> Floor  
Boston, MA 02108

RE: Application Number NEWCO-17082413-TO

Dear Commissioner Bharel,

I am writing to express the Cape Ann Chamber of Commerce's strong support of the creation of the new health system proposed by Beth Israel Deaconess Medical Center, Lahey Health, Mount Auburn Hospital, New England Baptist Hospital, and Anna Jaques Hospital.

The Cape Ann Chamber, with our 900 business members including many non-profits, recognizes that high quality healthcare is critical to our mission of business growth, economic prosperity and the provision of a high quality of life for our citizens. We have a longstanding and steadfast partnership with Addison Gilbert Hospital, including promotion of our respective community services and programs, and board representation. Especially today in our tumultuous and politically-charged health care environment, and with businesses increasingly burdened with higher health care costs, it is critically important that we provide the best care possible to our members and the community.

It is our sincere hope and belief that this new health system will help ensure the long term viability of Addison Gilbert Hospital and all its partners in the group. This, in turn, will enable AGH to serve the health and wellness needs of Cape Ann residents in a comprehensive and coordinated way, offering wellness, emergency and primary care in the community close to home, while also providing direct access to high quality, specialized services when needed.

Beverly and Addison Gilbert Hospitals work with many other community organizations like ours to identify the health and wellness needs of our community and deliver programs that reach those most vulnerable. The creation of this new health care system is essential to ensuring this work continues and that residents and families in need have access to the health care and support services they need.

We respectfully urge the Department's approval of this application, and thank you for your consideration.

Very truly yours,

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Ken Riehl  
CEO, Cape Ann Chamber of Commerce

cc: Nora Mann, Esq., Director, Determination of Need Program

**CAPE ANN CHAMBER OF COMMERCE**  
*Serving Gloucester, Rockport, Essex & Manchester-by-the-Sea*

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[CapeAnnChamber.com](http://CapeAnnChamber.com) | [CapeAnnVacations.com](http://CapeAnnVacations.com) | [RockportUSA.com](http://RockportUSA.com)



## Statement in Support of AGH Application

My name is **Julie LaFontaine**, and I'm the Executive Director of The Open Door, a non-profit organization based here in Gloucester that connects some of the most vulnerable people in our community to healthy food.

The Open Door has had a longstanding partnership with Addison Gilbert Hospital. Cindy Donaldson, Vice President of Addison Gilbert, sits on our board of directors.

Addison Gilbert's support of our Mobile Market helps us provide fresh produce and groceries at four neighborhood-based, two school-based, and two senior center-based sites. This program reaches close to 3,000 people in Gloucester, Rockport, Manchester, Essex and Ipswich.

The hospital is also a supporter of our Senior Circle of Care which connects seniors to good, healthy food and involves the entire community in supporting and reinforcing nutrition education to promote healthy eating and a healthy lifestyle.

I cannot stress enough the importance of having reliable community partners like Addison Gilbert Hospital. They are essential to our efforts in providing the services upon which so many in our community rely.

It is of utmost importance to organizations – such as The Open Door – and families and people living in this area, that our hospitals remain strong.

This is why I am in full support of the proposed affiliation because we want and need Addison Gilbert Hospital to remain a strong and vital part of our community.

I urge you to approve this application.

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Respectfully submitted,

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**Julie LaFontaine**  
**Executive Director**  
**The Open Door**  
**julie@foodpantry.org**

**My name is Shirley Conway, I am the director of Geriatric Initiatives at Addison Gilbert Hospital.**

I oversee the Senior Adult Unit which provides inpatient care to the elderly who have experienced a sudden change in mental status or who are experiencing an acute phase of a chronic disability or mood disorder. These changes may place them at risk in their homes or community-based settings. Our team is trained to meet the specialized health care needs of older adults and provides multi-disciplinary care in a safe and comfortable environment. They understand both the medical and emotional needs of these patients and their families.

The patients we serve are some of the most vulnerable in our community and this speaks to the critical importance of the services Addison Gilbert provides to members of our community. I support the creation of the new health care system proposed by Lahey Health, Beth Israel Deaconess Medical Center, New England Baptist, Mount Auburn and Anna Jaques Hospitals as I believe it will ensure some of the most vulnerable members of our community continue to have access to the excellent and compassionate care my team provides every single day.

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**Shirley Conway, MSN, MBA, RN-BC  
Director of Geriatric Initiatives  
Addison Gilbert Hospital**

*2nd Beverly*

My name is **Nancy Palmer** and I am the Chair of the Board of Trustees for Northeast Hospital Corporation, which is comprised of Beverly and Addison Gilbert Hospitals. I am speaking tonight on behalf of our board to share our support of the application of Lahey Health, Beth Israel Deaconess Medical Center, New England Baptist Hospital, Mount Auburn Hospital, and Anna Jaques Hospital to create a unified, nonprofit health system.

*which  
I think  
will be  
your  
opportunity*

I have been involved with the community hospitals of Cape Ann and the North Shore for over 25 years, and in that time I have seen the incredible growth in quality and range of care that Beverly Hospital and Addison Gilbert provide the members of our communities. And when Lahey Clinic and Northeast merged in 2012, the affiliation helped our hospitals grow even stronger. At a time when we see many residents traveling out of the community to seek care, there has actually been an increase in the number of patients getting their care in Beverly and Gloucester. The hospitals also continue to expand the services available to patients locally including but certainly not limited to urgent care which will soon open here in Gloucester.

We firmly believe that the proposed affiliation provides us with the opportunity to further strengthen Beverly and Addison Gilbert Hospitals. It will result in more physicians and services being available right here in the community which in turn will result in more patients coming to Beverly and Addison Gilbert Hospitals. And the more patients we attract to Beverly and Addison Gilbert, the brighter their future.

By creating this transformative health care system, we will ensure that Beverly and Addison Gilbert Hospitals continue to thrive and remain a long-term asset for the residents of Cape Ann and the North Shore.

*Thank you for the opportunity to speak tonight.*

**Nancy Palmer**  
**Chair, Board of Trustees**  
**Northeast Hospital Corp.**

Testimony  
DPH Determination of Need Public Hearing  
December 6, 2017  
Application Number: NEWCO-17082413-TO

My name is Margaret O'Malley. I'm a Registered Nurse and live in Gloucester which, with Rockport, makes up Cape Ann. This is the home of about 37,000 people year-round, a number which doubles in summer. Demographic and public health data document that our community is significantly older and suffer from more serious chronic illnesses than state averages. We also have more residents without access to a car or other transportation.

Most significantly, most of us in Gloucester, and everyone in Rockport, live on an actual island surrounded by the North Atlantic Ocean with just two bridges leading in and out. Both can and do become completely blocked due to weather conditions, bridge malfunctions, traffic conditions and accidents. An ice storm can make the steep grade of the Route 128 Bridge impassable. Right after that bridge heading south, Route 128 falls to sea level, a stretch which regularly comes close to flooding with super high tides. Even greater storm surges and the inevitable rise in sea levels pose even greater risks that we will be completely isolated. We have to be self-sufficient. And so does our Hospital, Addison Gilbert.

These are the reasons we say, without exaggeration, that our lives depend upon the DPH placing a binding condition on its approval of this merger that, the new corporation be required, at a minimum, to guarantee in writing and indefinitely, what the DPH itself has ruled since 1984: that all eight "minimum services that must be in a hospital building as a precondition for the authorized provision of emergency services at that site" be provided at our hospital.

One of those services is "surgical services which are immediately available for life threatening situations". **This has not been available at AGH for a long time.** It is unconscionable that a Cape Ann resident with life-threatening injuries who should be in an OR in Gloucester is instead in an ambulance trying to get to Beverly or Burlington, a trip that can take an hour even when it's not rush hour.

Surgical teams cannot function appropriately in life-threatening emergencies if they do not work together on a routine basis. We need NewCo to recruit Gloucester-based surgeons and anesthesia staff, restore appropriate surgical equipment, and restore the array of services appropriate to a community hospital.

Another required service is critical care beds. On a Friday afternoon this past summer, nurses told me that managers planned to close the AGH ICU for the entire weekend because of lack of nurse staffing. Ultimately, the decision was reversed; they found nurses. We have a Cape Ann cardiologist/intensivist who staffs the AGH ICU 24/7. On the rare occasion when he needs to be away, it's difficult for him to get Beverly/Lahey to replace him.

This merger will include eight community hospitals. Every single one of them, even the smallest, like BI/Deaconess Needham and BI/Deaconess Milton, has a broader array of acute care services, including routine surgery, than we have had at AGH for many years. At Needham, a hospital with a comparable number of beds as AGH and located closer to BI/Deaconess in Boston than AGH is to Beverly, a brand new inpatient wing is being constructed and routine surgery is performed. In Milton,

even closer to Boston, BI Deaconess provides innovative robotics surgery and a state-of-the art Spine Center. BI/Deaconess clearly sees the wisdom, both clinically and financially, of providing the highest quality care closest to where the patients live.

The owners of AGH have shown no such wisdom. All surgery and most other care, what the Health Policy Commission calls, "the relatively routine low-intensity care" best delivered in community hospitals, have been transferred out of AGH to Beverly and beyond.

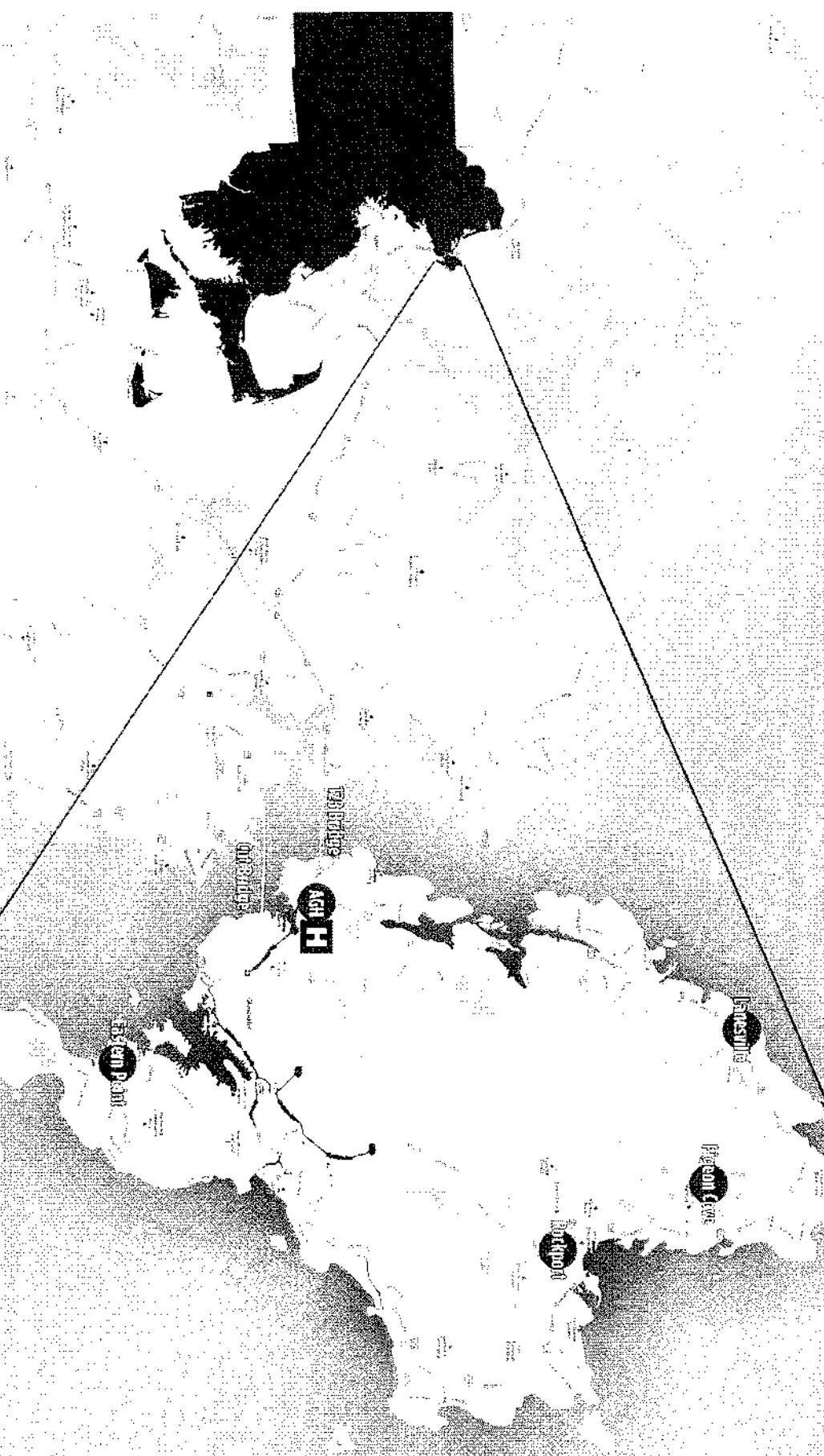
This community deserves the same sense of safety that people who live in Needham, Milton, Newburyport, Winchester, and Plymouth whose hospitals will also be in NewCo will enjoy. Consider that in every one of those communities, if access to one hospital is blocked, people can turn around and go in another direction to the next nearest facility. That's not possible for the people of Cape Ann. There's only one way out.

The protection and restoration of services at AGH will not be done without firm binding conditions placed on the merger by DON. As evidence of this, an AGH executive, after making assurances to a local reporter yesterday that "Services and patients will be returned to AGH", went on to say, "Hospital officials have not yet mapped out a plan for expanding services". Northeast and Lahey have had 20 years to do that and have done the opposite.

Without a binding condition of approval of this merger by DON, AGH services will continue to decline and people will suffer unnecessary harm and death.

# Protecting Our Lifeline

Cape Ann - Geography Demands ER for 40,000 residents



Massachusetts Nurses Association  
**MNA** National Nurses United



# The Commonwealth of Massachusetts

Executive Office of Health and Human Services

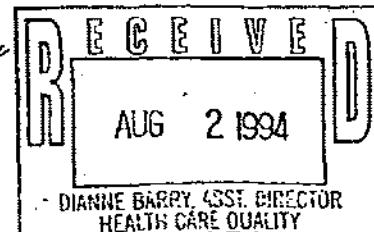
Department of Public Health

Division of Health Care Quality

10 West Street

Boston, Mass. 02111

William F. Weld  
Governor  
Charles D. Baker  
Secretary  
David H. Mulligan  
Commissioner



CIRCULAR LETTER: DHCQ 8-94-348

TO: Hospital Administrators  
FROM: Virginia C. Sullivan, Director *HC8*  
DATE: August 2, 1994  
TOPIC: Definition of Emergency Services in 105 CMR 130.020  
SUMMARY: The Department advises hospitals regarding the services that must be available in a hospital building in order to obtain a license for emergency services

The purpose of this circular letter is to reiterate the Department's established interpretation of the term "emergency services" set out at 105 CMR 130.020 of the Department's Hospital Licensure Regulations. The term "emergency services" is defined in the regulations as:

A service maintained primarily to provide care to outpatients who are in need of immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury.

A hospital must be able to provide a full range of hospital services in order to support an emergency department that can provide emergency services as described above. To effectively treat patients transported by ambulance in need of immediate medical care and to prevent the loss of life or aggravation of illness or injury, a hospital must be capable of providing definitive care to patients who may be in need of inpatient hospitalization. The following services are the minimum services that must be available in a hospital building as a precondition for the authorized provision of emergency services at that site:

- 1) inpatient medical/surgical beds;
- 2) critical care beds with adequate monitoring and therapeutic equipment;
- 3) twenty four (24) hour availability of qualified physician and other appropriately qualified professional staff;

- 4) laboratory service with the capability of performing blood gas analysis and routine hematology and chemistry;
- 5) radiological services capable of providing the necessary support for the emergency service;
- 6) surgical services, including adequate operating room facilities, which are immediately available for life threatening situations;
- 7) post anesthesia recovery services; and
- 8) the readily available services of a blood bank.

If a hospital does not provide the services listed above, the hospital will not be licensed for emergency services and may not receive and treat patients transported by ambulance through the emergency response system (e.g. 911 system).

Please direct any questions regarding this interpretation to Kathleen Coyle, Assistant Director for Survey Operations, at 617-727-5860 x432.

My name is **Peggy Hegarty-Steck**. I am Executive Director of Action, Inc. I am here to express my support of the new health system proposed by Lahey Health, Beth Israel Deaconess Medical Center and the other community hospitals involved in the application.

Action, Inc. has served as a critical safety net for Cape Ann communities for 52 years. We regularly coordinate with Addison Gilbert and Lahey Behavioral Health Services on individual cases in order to provide the best possible services to people in need. Whether it's the Emergency Department or the DISCOVER Program, we know that we can count on the support and collaboration of Addison Gilbert. Having such high quality services here on Cape Ann is vital to the health and wellness of our community.

On a broader community level, we work with Lahey Health as key members of the Gloucester High Risk Task Force. The task force includes agencies and city departments providing care to very high risk individuals. This group has collaborated to help vulnerable people get into drug treatment, to reduce emergency department visits, and to connect residents with life-saving mental health services.

These are just a few examples of the many ways in which Lahey Health works with us to identify the local health and wellness needs of our community. The creation of this new health care system will help ensure that this work continues.

I respectfully urge the Department's approval of this application, and thank you for your consideration.

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**Peggy Hegarty-Steck**  
**Executive Director**  
**Action, Inc.**



T: 978.282.1000  
F: 978.283.0523  
[www.actioninc.org](http://www.actioninc.org)

December 6, 2017

Commissioner Monica Bharel  
Massachusetts Department of Public Health  
250 Washington Street, 2<sup>nd</sup> Floor  
Boston, MA 02108

RE: Application Number NEWCO-17082413-T0

Dear Commissioner Bharel,

I am writing to express my strong support for the creation of the new health system proposed by Beth Israel Deaconess Medical Center, Lahey Health, Mount Auburn Hospital, New England Baptist Hospital, and Anna Jaques Hospital.

For 52 years, Action Inc. has served as a critical safety net for its communities by offering a broad range of services, including: assistance with public benefits enrollment, case management, housing assistance, eviction prevention, homelessness prevention, emergency shelter for homeless adults, affordable housing, weatherization, energy conservation, assistance with fuel and utility bills, heating system repair and replacement, adult basic education, resume and job readiness assistance, academic and career counseling, healthcare career training programs, programming for out-of-school youth, and in-home personal care for elders and disabled adults. With a mission to create opportunities that promote a thriving Cape Ann for all, we work closely with our partners at the local, state, and national levels. Lahey Health is one of our most important partners, particularly in serving the community's most vulnerable residents.

We work closely with a number of Lahey Health locations and programs on both individual and community-based efforts. Action Inc. regularly coordinates with our local hospital, Addison Gilbert Hospital, and with Lahey Behavioral Services on individual cases in order to provide the best possible services to people in need. Whether it's the Emergency Department or the DISCOVER Program, we know that we can count on the support and collaboration of AGH. Having such high quality services here on Cape Ann is vital to the health and wellness of our community.

Additionally, we partner with Lahey Health to offer a health care career training program for local residents. Action Inc. works directly with Seacoast Nursing and Rehabilitation Center to provide Massachusetts Department of Public Health approved Nurse Aide trainings. Action Inc. operates the



Client & Housing Services • Energy Services • HomeCare • Riley Education & Training Center

program and provides the classwork for the students. Seacoast is our clinical partner and serves as the clinical site for our program. We work together to ensure that our students receive high quality training and hands-on experience. Again, we are very fortunate to have Seacoast as a clinical site right here in Gloucester.

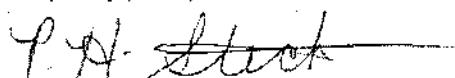
On a broader community level, we work together with Lahey Health as key members of the Gloucester High Risk Task Force (HRTF). The task force includes agencies and City departments providing care to very high risk individuals. Our group is part of the Healthy Gloucester Collaborative and meets monthly at AGH to discuss emerging issues and challenging cases, as well as provide coordinated care to Gloucester residents. Partners include: Addison Gilbert Hospital, Lahey Health Behavioral Services, Action Inc., Gloucester Public Health Department, Gloucester Police Department, Gloucester Fire and Rescue Department, Gloucester District Court (Probation Department), Gloucester Family Health Center, Eliot Community Human Services, Beverly Hospital (Partial Hospitalization Program), OBOT (suboxone) Clinic, The Grace Center, North Shore Health Project, Massachusetts Department of Mental Health, Massachusetts Rehabilitation Commission, SeniorCare, Gloucester Veterans Services, Adult Protective Services, and others. This group has collaborated to help vulnerable people get into drug treatment, to reduce emergency department visits, and to connect residents with life-saving mental health services.

For several years, Lahey Health has been a critical supporter of Action Inc.'s Healing to Housing initiative. Action Inc. has been very fortunate to receive grant support through Beverly Hospital and Addison Gilbert Hospital (BH-AGH) Community Collaborative Grant program for the Healing to Housing initiative, enabling us to provide critical supportive services to at-risk members of our community. The Healing to Housing program addresses BH-AGH's Mental and Behavioral Health priority. Our program provides homeless men and women with supportive services and counseling so they can address mental health and substance use disorder issues, which are often a barrier to obtaining and maintaining safe, affordable housing. The Healing to Housing program also supports formerly homeless individuals who reside in permanent housing and continue to struggle with mental health and substance use disorders.

These are just a few examples of the many ways in which Lahey Health works with us to identify the local health and wellness needs of our community and to deliver programs that reach our most vulnerable residents. The creation of this new health care system will help ensure that this work continues – and that individuals and families in need have access to the health care and support services they need.

We respectfully urge the Department's approval of this application, and thank you for your consideration.

Very truly yours,



Peggy Hegarty-Steck  
Executive Director

My name is **Mary Crockett**, I am the program director for Lahey Health Behavioral Services' Opioid Treatment Program here in Gloucester.

We provide medication-assisted treatment and counseling to men and women struggling with addiction to opiates.

My team and I are located at Addison Gilbert Hospital and work in close collaboration with emergency services providers as well as clinicians across the hospital.

Lahey Health Behavioral Services recently opened opioid treatment centers in Gloucester and Danvers where we offer all three treatment options for opiate addiction.

There are very few locations in the state where all three treatment options are available to people seeking help – and where after completing an evaluation of the person seeking treatment, a physician recommends what they believe would be the best treatment for that individual.

We also offer same-day admissions where people seeking treatment can be evaluated and started on treatment on the same day.

I have worked in addiction treatment and recovery for more than 20 years. And like many of you here in the room, I have firsthand knowledge of the critical need for the services we provide to this community.

The creation of the new health care system proposed by Lahey Health, Beth Israel Deaconess Medical Center and the other hospitals involved will ensure members of our community continue to have access to the critically needed addiction services we provide.

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**Mary Crockett, L<sup>TDAC</sup> LMHC, LADC**  
**Lahey Health Behavioral Services**

I am **Mary Aloisio**, and I have been a registered nurse for 36 years. For the past 18 years, I have worked for Addison Gilbert Hospital, and I am currently a nurse team leader at the ambulatory clinic in Gloucester. I am also a lifelong Gloucester resident and have raised my family here.

At the ambulatory clinic where I work, medical specialists from across the Lahey Health system rotate to Gloucester to hold regular office hours – ensuring everyone has access to the best care and highest level of expertise. This model of bringing top tier specialty care to the community is one that will only expand with Lahey Health's planned affiliation with Beth Israel Deaconess Medical Center, New England Baptist, Mount Auburn and Anna Jacques hospitals.

Having access to high quality health care right where we live is essential to the vitality of our community. If we are unable to preserve the strength of our community hospitals, people will have to travel great distances for care, or in some cases not receive the care they need at all. The planned affiliation will preserve Addison Gilbert as a strong institution in our community.

---

**Mary Aloisio, RN  
Addison Gilbert Hospital**

My name is **Dr. Wayne Saltsman**. I am a board-certified internist, geriatrician, and hospice and palliative care physician. I am the section chief for Lahey Health Geriatrics and Transitioning Care, and I am the Chief Medical Officer for Lahey Health Continuing Care. I am here to voice my support for the proposed application for affiliation of Lahey Health, Beth Israel Deaconess Medical Center, New England Baptist Hospital and Mount Auburn and Anna Jaques Hospitals.

Lahey Health Continuing Care comprises private duty home care, visiting nursing/home skilled care, community hospice and palliative care, senior/adult day health services, assisted living and skilled nursing rehabilitation services. Our patients and clients are the most medically complex and fragile members of the community, and we take the responsibility of their care and health as seriously as we do our own families. Many of our patients require care plans that encompass a number of health services, including physical and occupational therapy, cardiology, orthopedics, diabetic and nutrition management and social work. We are incredibly fortunate to be able to provide access to the highly skilled and compassionate health professionals of Beverly and Addison Gilbert Hospitals, as well as Lahey Hospital & Medical Center and Lahey Medical Center, Peabody. As we are able to provide access to this high-level of quality care that spans the North Shore, our patients and clients are able to seek and receive the care they need and deserve without having to leave their own communities.

With this affiliation, I strongly believe we will be able to strengthen the reach and breadth of our services, allow more patients--especially elders--access to the care they need, and maintain a wider array of services to those who have already entrusted us with their care.

Thank you for this opportunity to present my thoughts.

---

**Wayne S. Saltsman, MD, PhD, CMD, FACP**  
**Chief Medical Officer**  
**Lahey Health Continuing Care**

Mass Department of Public Health  
Public Hearing  
December 6, 2017

Patti Page  
3 Tidal Cove Way  
Gloucester, MA

Under the proposed merger there will be a new corporation formed to deliver health care. Currently, it is referred to as NewCo - as in new company to be named later. Provisions of this merger should include a written commitment of services for AGH.

Once the merger is approved, AGH will be the weakest in the group of hospitals with the least services. This will create a need for equity in services. To achieve parity with other facilities in the group, I am advocating for restoration of services, particularly acute care, and investments be made in staffing levels and equipment upgrades at AGH. Non-profit hospitals post their yearly financials and although they cannot claim "profit", they list millions in "surplus" funds.

At previous meetings Administration officials have given assurances there has been an increase in services at AGH. That may be true in number, but not all services are weighted equally in importance with regard to patient safety. To loose services such as acute care surgical services and a maternity floor is far from equivalent to adding screening services or scheduled procedures, even if some these procedures are classified as surgical. Although these routine services are needed in the community, they alone do not make our community safer on a daily basis or during a disaster.

Presently, there is a lot of word-smithing representations with regard to availability of surgical services for AGH Emergency Room patients.

In order to retain ER services, a hospital is required to have the ability to conduct emergency surgery. Currently, there has not been an emergency surgery performed at AGH in years. The claims of "available" emergency surgical services, in that there is an available Operating Room, and if deemed necessary, a surgical team

can be called in to perform surgery, does not equate to actual onsite emergency services being performed. The staffing infrastructure is not in place. There is no medical consultant in residence to evaluate a patient and call in a surgical team. I believe there is no resident anesthesiologist. Additionally, surgical teams, being highly specialized, do not perform on the fly like a mash unit. They need to be familiar with the facility and have experience working with each other. They need to be in residence 24/7/365 to be an effective team.

There is also an issue with providing "emergency" surgery and emergency services regionally. By whose measure is "emergency" now defined? Patients that arrive at AGH are kept relatively comfortable until an **AVAILABLE** surgical room or other emergency service is identified at the nearest facility. Regional emergency service units are full and emergency patients are waiting in que for transport to care facilities. This can take several hours. Patients are being transported long distances in critical condition. This is dangerous for the patient and is taxing on the surgical teams and servicing emergency personnel. Not to mention the toll it takes on the patients' personal support system.

Although statistical outcomes are positive, the risk is transferred to patients and hospital staff.

Mentioned in the GDT, there is a plan to open an Urgent Care center off site of the AGH campus. There is concern if Urgent Care is located somewhere other than at AGH, this will contribute to a further erosion of services at AGH.

I ask the Mass Department of Public Health to objectively evaluate the community needs and reality of available regional resources.

With statistical outcomes in good standing and surplus funds there is solid basis to provide these requests. It would be prudent to include contractual commitments for equity of services, which include restoration of services, particularly acute care, and investments in staffing and equipment. These actions would strength services at AGH, provide relief within the regional system of facilities and create trust and peace of mind within the community.



December 6, 2017

Commissioner Monica Bharel  
Massachusetts Department of Public Health  
250 Washington Street, 2<sup>nd</sup> Floor  
Boston, MA 02108

RE: Application Number NEWCO-17082413-TO

Dear Commissioner Bharel,

I am writing to express my support of the creation of the new health system proposed by Beth Israel Deaconess Medical Center, Lahey Health, Mount Auburn Hospital, New England Baptist Hospital, and Anna Jaques Hospital.

I am writing in two different capacities. First, in my role as Executive Director of Beverly Main Streets, I have been fortunate to work closely with Beverly Hospital CEO Phil Cormier and VP of HR Althea Lyons and their teams as we have partnered on several initiatives that improve the quality of life for folks who live, work and study in Beverly. One project in particular stands out. In one of our board meetings, we were discussing options for getting services for some homeless folks who frequent our downtown. Althea serves on our Board of Directors and she offered to pull together a meeting of community leaders with Kevin Norton, CEO of Lahey Behavioral Health. Kevin listened to our concerns and offered multiple suggestions about how Lahey could help. An immediate response was the creation of a Community Meals Collaboration among churches located within walking distance of the downtown so the folks could be assured of a healthy meal at least once a day. Other programs and mental health services are being worked on as well. We are so lucky to have this kind of community leadership from Beverly Hospital and Lahey Health, which is only possible because of their merger in 2012. Bringing additional hospitals and facilities under a larger umbrella will make this kind of collaboration even more impactful across more communities.

Second, I support the merger as a mom whose child has received exceptional care from both Beverly Hospital and from Anna Jaques Hospital. We utilized unique services that each hospital provided but it wasn't always easy to coordinate care between the two facilities. Having these two hospitals formally affiliated with each other will certainly make it easier for families on the North Shore to access and receive comprehensive and coordinated treatment for their children.

Beverly and Addison Gilbert Hospitals work with many other community organizations like ours to identify the health and wellness needs of our community and deliver programs that reach those most vulnerable. The creation of this new health care system

is essential to ensuring this work continues and that residents and families in need have access to the health care and support services they need.

I respectfully urge the Department's approval of this application, and thank you for your consideration.

Very truly yours,

Gin Wallace  
Executive Director  
Beverly Main Streets | Beverly Arts District  
248 Cabot Street  
Beverly MA 01915  
978.922.8558  
[www.beverlymainstreets.org](http://www.beverlymainstreets.org) | [www.beverlyartsdistrict.org](http://www.beverlyartsdistrict.org)  
Residence: 34 South Terrace, Beverly MA 01915

cc: Nora Mann, Esq., Director, Determination of Need Program

**My name is Sandi Akers, I am a Registered Nurse, a life- long resident of Rockport and currently the Clinical Administrator of the CHART grant programs at Beverly and Addison Gilbert Hospitals. I am here tonight to express my support for the new health care system proposed by Lahey Health, Beth Israel Deaconess Medical Center, New England Baptist, Mount Auburn and Anna Jaques Hospitals.**

In 2015, Addison Gilbert and Beverly Hospitals established a High-Risk Intervention Team with funding from the Massachusetts Health Policy Commission's Community Hospital Acceleration, Revitalization, and Transformation (CHART) investment Program. Our goal is to address the complex needs of patients struggling with multiple conditions who often find themselves repeatedly hospitalized due to challenges in managing their health.

We have developed strategies to improve coordination of care and help these patients access the health care services they need. To date we have served over 4300 patients and 7725 discharges. Our clinical team of nurses, social workers, pharmacists and community health workers provides these patients with the support services they need to maintain their health. We see patients all over Cape Ann in the community and we are helping patients access the services they need. We assist patients with follow up medical appointments, connect with community-based resources and access behavioral health services. Our team assists many seeking help with substance abuse services and accessing treatment facilities.

We understand the value of improving coordination of care when it comes to helping patients navigate the health care delivery system and access the social, behavioral and medical services they need. To that end, I believe the creation of a new health system will strengthen our ability to deliver the care our community needs.

---

**Sandi Akers, RN  
Clinical Administrator, CHART Grants  
Beverly and Addison Gilbert Hospitals**

Meeting, December 6, 2017 Proposed Merger of Lahey Health System, including Addison Gilbert Hospital, Beth Israel Deaconess Medical Center, New England Baptist Hospital, Mount Auburn Hospital Seacoast Regional Health Systems and (Anna J acques Hospital in Newburyport.

Into one new giant health care organization which will own and operate all these facilities.

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GOOD EVENING. THANK YOU FOR INVITING CITIZENS TO THIS RECENTLY ANNOUNCED MEETING. IT WAS ANNOUNCED IN THE GLOUCESTER TIMES ON MONDAY, SO WITH ONLY 48 HOURS NOTICE, CITIZENS ARE WELCOMED LEARN ABOUT ANOTHER INTENDING MERGER. WHATEVER THE POPULATION ATTENDING TONIGHT, WE CAN ONLY CONJECTURE HOW MANY MORE WOULD HAVE ATTENDED WITH MORE ADEQUATE ADVANCED NOTICE.

OVER RECENT YEARS THERE HAVE BEEN A NUMBER OF SIMILAR MEETINGS. AT EACH OF THEM EXPLANATIONS ARE OFFERED, CITIZENS ARE GIVEN THE OPPORTUNITY TO SPEAK, AND THEN ~~REGARDLESS OF THEIR COMMENTS~~ THESE MERGERS AND CONSOLIDATIONS OCCUR.

LET US HOPE THAT THIS CONSOLIDATION ACCOMPLISHES POSITIVE AND CONTINUED SENSITIVE HEALTH CARE FOR THE CITIZENS. THESE ARE INDEED TURBULENT TIMES IN OUR NATION'S HEALTH CARE SYSTEMS. FORTUNATELY THE COMMONWEALTH OF MASSACHUSETTS OVER TIME HAS OFFERED EXCELLENT PROGRAMS. BUT, IT IS HIGHLY QUESTIONABLE WHETHER OR NOT AT THE FEDERAL, STATE AND LOCAL LEVELS THESE PROGRAMS WILL BE CONTINUED. WE JUST DON'T KNOW, NOR ARE WE PROVIDED WITH ADEQUATE INFORMATION TO UNDERSTAND WHAT IS TAKING PLACE.

THERE ARE VARIOUS LAYERS OF HEALTH CARE IN THE SYSTEMS APPROACH. SOME ARE AT THE COMMUNITY LEVELS; OTHERS INVOLVING MORE ADVANCED TECHNOLOGIES AND EQUIPMENT AT A HIGHER LEVEL; AND THEN EVEN MORE PROGRAMS THROUGH REGIONAL HEALTH CENTERS.

IT WOULD BE EXTREMELY HELPFUL IF THE VARIOUS HOSPITAL ADMINISTRATORS IN LEADERSHIP GAVE THE CITIZENRY FAR MORE EDUCATIONAL INFORMATION ABOUT THE UNDERLYING PLANS AND LAYERS WITHIN THESE CONSOLIDATIONS AND MERGERS. WE CAN'T ONLY RELY ON QUICK REPORTS IN THE MEDIA.

FOR EXAMPLE, WHAT ARE THE STATED CRITERIA TO PROMOTE THESE MERGERS? WHAT SPECIFIC ROLES WILL COMMUNITY BASED FACILITIES SERVE? WHAT ECONOMIC FORCES ARE DRIVING THESE MERGERS? HOW WILL THE CITIZENS BE INFORMED ON A REGULAR BASIS AS TO CHANGING PLANS AND NEW ARRANGEMENTS? SUCH INFORMATION NEEDS TO BE CLEARLY PRESENTED AND NOT SIMPLY PUT FORTH IN SOME PUBLIC RELATIONS DOCUMENT.

GLOUCESTER, ROCKPORT, MAGNOLIA, PARTS OF ESSEX, AND THE SURROUNDING CAPE ANN ENVIRONS CONSTITUTE A VIABLE COMMUNITY OF DIVERSE POPULATIONS. WE OCCUPY A VITAL COMPONENT OF MERGERS AND CANNOT BE TREATED AS SOME ANCILLARY THIRD WORLD OUTPOST. MANY OF US HAVE NOTED MERGERS FREQUENTLY RESULT IN A DIMINUTION OF FACILITIES, SERVICES, AND EMPLOYMENT IN VARIOUS AREAS OF OUR SOCIETY.

IN SUMMARY, WE SEEK CLARIFICATION, STRAIGHT TALK AND SPECIFICS AS TO HOW THE MERGERS WILL BE IMPLEMENTED TO BEST SERVE THE CITIZENS, THEIR FAMILIES AND THEIR NEEDED LONG RANGE HEALTH CARE . THANK YOU.

JOSEPH N. MUZIO

January 8, 2018

To: Determination on Needs Review Team – MPH

From: Patricia Baressi

Re: Lahey/BIDMC Merger

A long time consumer of the Lahey/Cape Ann Medical system, I attended the December 6, 2017 public hearing at Gloucester High School and listened to both support of and concerns for the pending merger and concur with many of the speakers including: Mayor Sefatia Romeo Theken's passionate voice addressing concern for the specific needs of Gloucester's senior population; and Senator Tarr's critical request for detailed and more thorough information regarding the intended outcomes of the merger and how it would impact Cape Ann and North Shore residents. All would have to agree with Nurse O'Malley's critical plea for updating regulatory code for Addison Gilbert Hospital's (AGH) emergency room.

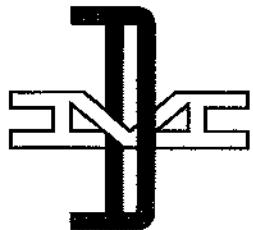
Many of us have experienced and understand the insurmountable burdens of a broken healthcare system. As a family in the Lahey system, we experienced and felt the painful limits in the areas of senior and complex care patients. While creating a big medical care brand through multiple mergers intends to increase service efficiencies and revenue benefits all around, improved efficacy in care and services in the community hospitals is not always the outcome.

My first-hand experience comes from over a decade as a healthcare advocate and caregiver for a parent who lived on Cape Ann. Expectedly, our mother's needs became more complex as she aged. Over the years, our family experienced a series of unfortunate and harmful gaps in the direct clinical care, communication and services provided by **Lahey Health**-managed community hospitals, AGH and Beverly Hospital (BH). The impact was devastating to us all and our confidence in this system died.

As an aging consumer in the system with a wide network of personal and professional associates, I feel the merger with BIDMC should occur only if it can guarantee reachable economic services and improved quality of care for all community members, including the often neglected complex elderly, a large ever-growing demographic for both AGH and BH. To achieve the stated missions at the meeting, it would be imperative for Cape Ann residents to be assured of the following:

- Establish AGH - Emergency Room services to meet regulatory code
- A full range of on-site specialists and surgeons at AGH
- A choice of preferred location of care: Cape Ann, North Shore, Boston
- Effective Case Coordination Services for complex care patients and seniors; with high capacity trained practitioners for geriatric and complex care needs persons.
- Integrative in-home "medical/physician" care services
- "Medication" and "patient safety" education programs for all hospital practitioners
- "Person" centered compassionate care
  - i.e. - care that is not dependent on Electronic Health Records. EHR systems have been built, at large, to meet the needs of payers and payees and do not capture nor state an accurate integrative story of the person, their health status and needs.

*No Man is an Island*



**Michael P. Dreslinski**  
**#W95468**  
**P.O. Box 466**  
**Gardner MA 01440**

January 02, 2018

**VIA FIRST CLASS MAIL**

Massachusetts Department of Public Health  
Determination of Need Program  
250 Washington St., 6th Floor  
Boston, MA 02108

**Re: 09-08-2017 Application of NewCo - Public Comments**

Ladies and Gentlemen:

After reviewing the application of NewCo (CareGroup, Beth Israel Deconess Medical Center, New England Baptist Hospital, Mount Auburn Hospital, Seacoast Regional Health) and considering relevant facts, I cannot, in good faith, support NewCo's application.

As a tireless advocate for enhanced government transparency and accountability who has been the victim of merciless oppression by Big Pharma, I know all too well what happens corporations become drunk with power. Allowing this proposed organization of health care providers would allow total control of the industry by a single entity, which would set a dangerous precedent. Monopolizing the Massachusetts health care industry with the allowance of NewCo's application will certainly spell the end of economic growth in the northeast, and possibly the entire United States.

Thank you for the opportunity to comment on this important matter.

Respectfully,

Michael P. Dreslinski

cc: File

**Professor Richard A. Pozniak  
11 Chester Road  
Billerica, Massachusetts 01821  
rpozniak@hotmail.com**

January 8, 2018

Mass. Department of Public Health  
Determination of Need Program  
250 Washington Street  
Boston, Massachusetts 02108

**Ref: Application NEWCO-17082413-TOBoston,MA 02108  
Merger of Beth Israel/Lahey**

Dear Commissioner Bharel:

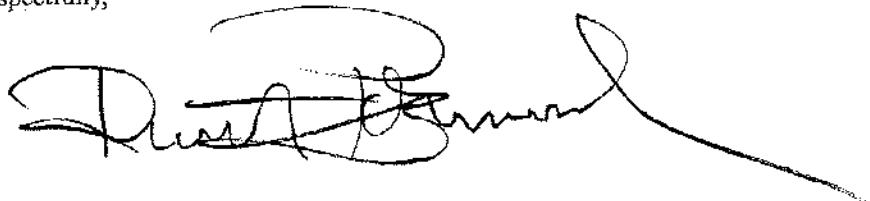
As way of introduction, seven years ago I retired as a senior hospital administrator after serving for more than 30 years at the Massachusetts Hospital Association, South Shore Hospital and Hallmark Health System. I have taught in the graduate program in health care administration at Regis College and am currently on the faculty of several Boston area colleges. I am currently not employed by any hospital nor do I receive any compensation from a hospital consultancy.

I know something about hospital mergers, having been involved in six merger initiatives involving business, physician and community groups and state and federal regulators. I am supporting the merger application of Beth Israel and Lahey as the latter is the health care system for my family. I truly believe with all objectivity that this well thought out proposal will create a new, dynamic and lower cost non-profit health care delivery system for the 21<sup>st</sup> century with huge benefits for the communities in Eastern Massachusetts.

I am deeply disappointed to hear and read in the news media the baseless allegations raised by competing hospitals on the BI/Lahey application. It is apparent that while Lowell health care administrators say the merger of Lowell General, Tufts Medical Center and Hallmark Health into Circle Health is great for their region, they now oppose a merger between BI/Lahey because it means more competition for them which they do not want, yet, this is what the Massachusetts health care delivery system is all about! Well designed, structured and implemented mergers mean survival in this tough, new health care environment. The merger of Lahey/BI will have no direct and negative impact on access to care by low-income families in Lowell, as alleged by the Make Healthcare Affordable Coalition, a group created by a public affairs firm retained by the hospitals opposed to this merger.

Hospital mergers in Massachusetts are about financial survival and the ability to provide a seamless system of regional patient access to primary and advanced medical care in the most cost-effective way possible. This is exactly what the important merger of BI/Lahey will accomplish and for that, they deserve your department's support.

Respectfully,



**MICHAEL C. BLEIWEISS**

45 Washington St., Unit 45, Methuen, MA 01844

MCBleiweiss54@verizon.net

(978)689-2874

5 January 2018

Massachusetts Department of Public Health  
250 Washington St.  
6<sup>th</sup> Floor  
Boston, MA 02108

Dear Sirs:

I am writing in opposition to the proposed hospital mega-merger between Beth Israel Deaconess Medical Center, Anna Jacque Hospital, Lahey Health, New England Baptist, and Mt. Auburn Hospital. Such a merger violates the spirit of our anti-trust laws and will create a market powerhouse that will dominate over all of the independent hospitals in eastern Massachusetts.

Contrary to their claims, history shows that costs are much higher at the large medical centers than at small regional providers and their enormous size will give them almost unchallengeable pricing power. Even a simple blood test can cost seven times as much at a large urban hospital than at a suburban medical practice. You can count on charges at the local hospitals rising to the level of the large centers rather than the other way around.

They will claim that they need to be large enough to compete with the Partners Health network or Stewart Hospitals. This argument is specious. Just because one health care network was allowed to grow to be too large to be accountable to their communities does not mean that the problem should be compounded by allowing another such behemoth to be created.

Therefore, I urge you to deny the above hospitals' application to merge for the good of our communities.

Sincerely,

*Michael Bleiweiss*

Michael Bleiweiss

# **1199SEIU**

**United Healthcare Workers East**  
**Massachusetts Division**

108 Myrtle Street, 4<sup>th</sup> Floor • Quincy, Massachusetts 02171-1728  
Phone: 617-284-1199 • Fax: 617-474-7150  
Toll Free: 877-409-1199  
[www.1199SEIU.org](http://www.1199SEIU.org)

January 11, 2018

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Ms. Nora Mann, Director  
Determination of Need Program  
Department of Public Health  
250 Washington St.  
Boston, MA 02108

Dear Director Mann,

1199SEIU represents more than 56,000 individuals employed in Massachusetts hospitals and nursing homes, and who provide home care. I am writing today on behalf of the 1199SEIU Ten Taxpayer Group formed with regard to the proposed affiliation of Lahey Health System, CareGroup, and Seacoast Regional Health System (Application Number NEWCO-17082413-TO). We appreciate this opportunity to comment on this Determination of Need application.

In early 2017, the DoN regulations were amended, in part so as to allow for better coordination of the DoN and HPC processes. The new regulations explicitly provide for the HPC to transmit its written recommendations to the DoN Program Director.<sup>1</sup> On December 12<sup>th</sup>, the Health Policy Commission voted to undertake a full Cost and Market Impact Review with regard to the NewCo merger. This CMIR will "objectively examine all aspects of the proposed transaction to better understand these potential impacts on costs, market functioning, quality, care delivery, and access."<sup>2</sup> Accordingly, we urge the Determination of Need program staff and the Public Health Council to wait for a final CMIR before making a final decision on this application. A final CMIR on the NewCo proposal can be expected no later than May 16, 2018. We hope that DoN staff will defer any final recommendation on this application until that recommendation can be informed by the research and analyses to be conducted during the HPC's CMIR.

Timing aside, 1199SEIU is opposed to this proposed merger because:

- it is likely to lead to higher costs for employers and consumers;
- there are inadequate protections for community hospitals;
- the merger will result in a loss of transparency and local accountability; and
- the applicants lack structures and opportunities for the frontline workforce to be engaged and heard.

Without specific conditions attached to approval that would address these concerns, we cannot endorse this merger.

1199SEIU opposes this merger because— despite the applicants' claims to the contrary— the enhanced market clout of the large NewCo entity is very likely to result in higher payment rates from insurers. The vast majority of research indicates that hospital consolidation generally leads to price increases and sometimes can lead to lower quality.<sup>3</sup> Other studies suggest that consolidation may also lead to price increases in outpatient settings.<sup>4</sup> The HPC's preliminary review of the proposal indicated that "The combined entity would have the second largest inpatient, outpatient, and primary care market shares in the Commonwealth...which would likely impact its leverage to negotiate hospital and physician prices."<sup>5</sup> Without limits on the prices that NewCo entities would be allowed to receive, newly leveraged payment rates have the potential both to crowd out insurer payments for other community hospitals, and to result in persistent and pernicious increases in health insurance premiums and cost sharing. The cost of healthcare has become a very heavy burden for employers and for the 56,000 members that we represent. Any DoN approval must include a limit on payment rate increases.

The second reason that 1199SEIU opposes this merger is out of concern for its impact on community hospitals, particularly those in the service areas north of Boston. The proposed NewCo entity threatens community hospitals in two ways:

1. The increased market power and geographic footprint —and the new insurance products with commercial payers that NewCo intends to develop—will draw commercial patients away from other community providers, particularly in the service areas north of Boston. The HPC initial review noted that “Changes in referral patterns could draw patients away from lower-priced and independent competitors as well as higher-priced competitors.”<sup>6</sup> Any loss of commercially-insured patients is likely to worsen the financial struggles that already face these competitor community hospitals, thus threatening their viability. Health disparities may be exacerbated because loss of commercially-insured patients will also leave competing hospitals with higher percentages of Medicare and MassHealth patients, who, due to the social determinants of health, tend to be higher risk and more costly than commercially insured patients.
  2. The second way in which the proposed NewCo entity threatens community hospitals is in its failure to provide adequate assurances that its smallest community hospitals— Addison-Gilbert in Gloucester and Anna Jacques in Newburyport—will remain open as full-service acute care providers in their communities. The applicants’ business model rests on making sure that community-appropriate care is provided in community. Yet the applicants also recognize that “transformative changes in healthcare spend and delivery cannot be created without an aggressive buy-in from payers and employers”<sup>7</sup> and they note that “it will take time”<sup>8</sup> to achieve the savings that they anticipate. If the “buy-in” never materializes, or if achieving savings takes too long, these two community hospitals will be at risk.

In large systems, it is often the smallest community hospitals that take the hit when cuts need to be made. Speakers at the hearings in Gloucester and Newburyport supported this merger in the belief that it assures the long-term viability of their local hospitals, but the

application materials do not include any such assurances. The hospitals provide local healthcare, but they are also economic engines and proud institutions in their communities. 1199SEIU asks that any approval by the Public Health Council should include a condition that these two hospitals remain open as full-service, acute care hospitals for a minimum of ten years post-merger.

The third reason that we are opposed to this transaction is our concern that it will result in a loss of transparency and accountability. All of the entities involved in the project are non-profit charitable institutions. As such, they are entities that are subsidized by taxpayers of the commonwealth and therefore are accountable to those taxpayers. An essential means for holding non-profits accountable is to review their financial transactions, and two opportunities to perform such a review are provided by audited financial statements and by the IRS Form 990.

However, over the last several years, we have observed that the practice of filing individual audited financial statements or Forms 990 ceases as individual hospitals become part of larger and larger healthcare systems. Public reporting of audited financials and 990s is increasingly made only at the parent level of the corporation, making it very difficult to pull-out the particulars of hospital-specific activities and financial interactions. This makes analyses for purposes of collective bargaining, oversight of community benefits, or for other local issues more and more difficult and means that hospitals become less responsive to their local communities. Conditioning DoN approval on each entity making individual hospital-level filings of audited financials and IRS Forms 990 would address this concern for us.

Finally, we are opposed to this transaction because we see very few elements of the transaction that are intended to engage the workforce, to provide a means for them to have input into changes that are made, or to protect their rights and safety.

As pressures to increase the providers' efficiency lead to cutting costs and even possibly to layoffs, it is essential that workers at all levels of an organization are able to voice concerns about best practices for patient care and workplace safety, as well as to be assured of an orderly and fair process for training opportunities, pay increases, promotions, and/or for any reductions in staff. New job descriptions or work expectations that are intended to provide innovative care should be developed in collaboration with and informed by the voices of those who provide that care. While we agree that "a culture of employee engagement and support [is] the essential ingredient to providing outstanding care to patients,"<sup>9</sup> we find no evidence to support the claim that the parties to this application truly foster such a culture. Town halls and "human resources collaboration"<sup>10</sup> are not a means of engaging in honest dialogue with employees because they do not provide anonymity or other means to protect against retaliation. We cannot support this application without some structures in place that will foster a true culture of employee engagement and support.

In sum, we urge the Determination of Need staff to recommend denial of Application Number NEWCO-17082413-TO because it is likely to cause unwarranted increases in healthcare costs, has inadequate protections for community hospitals and for workers' rights, and because it will result in a loss of transparency and accountability. We urge the DoN Program to align its process with that of the Health Policy Commission CMIR timeline so that CMIR findings can inform the DoN decision. Thank you for this opportunity to comment on these matters.

Sincerely,



Filaine Deronnette, Vice President  
For the 1199SEIU Ten Taxpayer Group

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<sup>1</sup> 105 CMR 100.155

<sup>2</sup> December 12, 2017 Health Policy Commission Board Meeting slide deck, p.141. Accessed at <http://www.mass.gov/anf/budget-taxes-and-procurement/oversight-agencies/health-policy-commission/public-meetings/board-meetings/>

<sup>3</sup> Neprash et al, JAMA 2015; Baker et al, Health Affairs 2014; Gaynor and Town, RWJF Update 2012; McWilliams et al, JAMA 2013; Lewis and Pflum, AEJ 2014 and 2015; Cuellar and Gertler, Health Affairs 2005, JHealthEcon 2006.

<sup>4</sup> "Physician Practice Competition and Pricing" by Lawrence C. Baker et al. JAMA. 2014;312(16):1653-1662.  
doi:10.1001/jama.2014.10921

<sup>5</sup> See note 1.

<sup>6</sup> Ibid.

<sup>7</sup> Response to Second Question Request, response 1.a.ii.

<sup>8</sup> Response to Second Question Request, response 2.4

<sup>9</sup> Response to Second Question Request, response 1.a.v.

<sup>10</sup> Ibid

Nora Mann, Director  
Determination of Need Program  
Massachusetts Department of Public Health  
99 Chauncey Street  
Boston, MA 02111

Dear Director Mann:

GoTeach (our 10 Taxpayer Group) and The Greater Boston Interfaith Organization continue to be acutely concerned that a proposed merger between the Beth Israel Deaconess-led Caregroup and Lahey Health System, along with Anna Jacques Hospital and the related physician-hospital contracting organizations, will result in an increase in both system as well as family healthcare spending for Massachusetts citizens.

In light of these concerns, in the event that the merger is granted a Determination of Need, we would like to 1) reiterate the importance of the conditions listed in our previous letter; and 2) request additional conditions be included with the approval.

We would like to request the following additional conditions:

1. In the event that the proposed merger does not, in fact, result in lower health care spending and premiums then the merger approval be rescinded and the merger unwound;
2. That if there were a change in circumstances such that this new, merged entity attempted to merge with Partners Health Care, that this current DON approval be rescinded and the merger unwound.
3. Additionally, while we recognize that we are not a party to the current merger application between Partners and Massachusetts Eye, Ear, and Throat Hospital, as concerned citizens we are extremely distressed about the significant risk of dramatic increases in spending and premiums resulting from this proposed merger as well. In light of the findings made in the Health Policy Commission's CIMR, we request that if this merger results in any increase in prices or costs to Massachusetts citizens, then this DON approval be rescinded and the merger be unwound.

Sincerely,

Bonny Gilbert  
Chair of the GBIO Healthcare Team  
& On behalf of GoTeach

&

Rev. Burns Stanfield, President  
Greater Boston Interfaith Organization



Beth Israel Deaconess  
Medical Center



HARVARD MEDICAL SCHOOL  
TEACHING HOSPITAL

January 15, 2018

Commissioner Monica Bharel

Massachusetts Department of Public Health

250 Washington Street, 2<sup>nd</sup> Floor

RE: Application Number NEWCO-17082413-TOBoston, MA 02108

Dear Commissioner Bharel,

I am writing to express my support for the application of the Beth Israel Deaconess Medical Center system, Lahey Health System, Mount Auburn Hospital, New England Baptist Hospital, and Anna Jaques Hospital, to create a new, lower cost, high quality non-profit health care system in Eastern Massachusetts.

*As part of Beth Israel Deaconess Medical Center, the work I do at the hospital includes running the Interpreter Services Department. The work we do and the important partnerships we have forged with our Bowdoin Street location, as well as our many Community Health Center relationships, illustrate and reinforce the ongoing and critical importance of BIDMC and our system to the health status and quality of life in our neighborhood and surrounding communities. Last year, the interpreter department supported over 200,000 interpreted encounters, and we welcomed over 70 different language groups through our door and provided communication for them to access health care.*

The creation of this high value health care system creates new and meaningful opportunities to leverage this work and to share best practices across a broader system. We are committed to a new model of care in the new world of ACO's, with a focus on keeping patients and communities healthy.

Creation of this new system is essential to fostering our continued efforts in helping with limited English proficient patient populations across Massachusetts, to improving the health of our community; and to ensuring continued access to high quality, affordable health care close to home and seamless access to tertiary and quaternary care when needed. BIDMC has close ties with our communities and community health centers. One such example is hiring an on staff Thai interpreter close to decade ago to take care of the many Thai speaking patients referred by Joseph Smith Health Center, now Charles River.

In 2014, BIDMC received the Massachusetts Commission for the Deaf and Hard of Hearing's Outstanding organization award – for the work we did and continue to do to make access for our Deaf and Hard of Hearing patients as seamless as possible.

We also have provided space for a non-profit organization that trains low income women to be medical interpreters. These women hail from across Massachusetts. BIDMC now has several of the graduates employed as medical interpreters.

We believe we can benefit the underserved and LEP population with this new system.

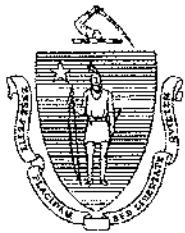
We respectfully urge the Department's approval of this application, and thank you for your consideration.

Very truly yours,

Shari Gold-Gomez

Director, Interpreter Services

cc: Nora Mann, Esq., Director, Determination of Need Program



# The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES  
STATE HOUSE, BOSTON, MA 02133-1054

**Committees:**

Ways and Means

Public Safety and

Homeland Security

Transportation

Tourism, Arts and Cultural Development

STATE HOUSE, ROOM 276

TEL: (617) 722-2676

Thomas.Walsh@MAhouse.gov

THOMAS P. WALSH  
STATE REPRESENTATIVE  
12<sup>TH</sup> ESSEX DISTRICT

January 12, 2018

Ms. Monica Bharel, Commissioner  
Massachusetts Department of Public Health  
250 Washington Street, Floor Two  
Boston, MA 02108

Dear Commissioner Bharel,

This letter is to express my strong support for the proposed partnership between Beth Israel Deaconess Medical Center and Lahey Hospital. This proposed relationship would guarantee area residents increased quality health services in Eastern Massachusetts. Additionally, this alliance would provide a quality non-profit health care system of which we will be proud.

As I represent the residents of Peabody in the Massachusetts House of Representatives, I am ever mindful of quality of life issues. Many of my constituents frequent either the Lahey Medical Center in Peabody and or the Beverly Hospital. These services are essential for the wellbeing of my constituents. Further, the quality of health services and the hundreds of jobs provided greatly enhance the economic vitality of the region. I believe this proposed partnership will only strengthen those benefits.

While always looking for opportunities that will improve access to first rate health care and keep residents close to home, I am encouraged by this proposal. Respectfully, I would urge you to look favorably upon this request.

Thank you for every consideration.

Sincerely,

A handwritten signature in black ink that reads "Thomas P. Walsh".

Thomas P. Walsh  
State Representative  
12<sup>th</sup> Essex District  
Peabody, MA 01960

cc: Nora Mann, Esq.,  
Mass. Dept of Public Health, Determination of Need Program  
250 Washington Street, 6<sup>th</sup> Floor Boston, MA 02108

January 6, 2018

Massachusetts Department of Public Health  
Determination of Need Program  
250 Washington Street, 6<sup>th</sup> Floor  
Boston, MA 02108

Re: Application Number NEWCO-17082413-TO Boston, MA 02108

Dear Commissioner Bharel,

My name is Diane Richard and I am a member of the Lahey Hospital and Medical Center Patient and Family Advisory Council (PFAC). I am writing in support of the affiliation between Beth Israel Deaconess Medical Center system, Lahey Health System, Mount Auburn Hospital, New England Baptist Hospital and Anna Jacques Hospital as evidenced in the Determination of Need Application, NEWCO-17082413-TO.

Since Massachusetts legislation passed in 2008 and implemented in 2010, all hospitals in the state are required to have a Patient and Family Advisory Council, whose focus is on the meaningful integration of the patient and family voice into hospital policies and procedures that impact patient care. Since that time, Massachusetts hospitals have been invested in consumer engagement through the work of PFACs in patient driven advancements that are highlighted in our annual reports. According to regulation 105 CMR 130.1800, the role of the Patient and Family Advisory Council is to advise the hospital on matters including, but not limited to, patient and provider relationships, institutional review boards, quality improvement initiatives, and patient education on safety and quality matters to the extent allowed by state and federal law.

As a proud member of the Lahey Hospital and Medical Center PFAC, that represents the voice of the patient and family in all hospital matters, I strongly endorse the proposed affiliation which will create a stronger and more integrated organization designed to provide expert care, a superior patient experience, and unparalleled value in a rapidly changing health care environment. The proposed affiliation will have a high quality, lower cost health system with services located across Eastern Massachusetts. This will allow for a system with clinically and geographically complementary providers who will introduce greater price competition into the marketplace.

I urge the Department of Public Health to approve the application before them which will benefit the patients and families in the communities served by this new integrated organization.

Very truly yours,



Diane Richard

Member, Lahey Hospital and Medical Center PFAC  
41 Mall Road  
Burlington, MA 01805