

Public Hearing on Proposed Transaction Between Exeter Health Resources and Beth Israel Lahey Health

March 1, 2023



WELCOME

Diane Murphy Quinlan

Director of Charitable Trusts

NH Attorney General's Office



INTRODUCTIONS

Scott Spradling

President, The Spradling Group



Core Physicians | Exeter Hospital | Rockingham VNA & Hospice

Exeter Health Resources and Beth Israel Lahey Health

Charitable Trusts Unit Public Forum
March 1, 2023



Core Physicians | Exeter Hospital | Rockingham VNA & Hospice

Exeter Health Resources (EHR)

Our Shared Vision

The shared vision of 2,400 plus employees of Exeter Hospital, Core Physicians and Rockingham Visiting Nurse Association and Hospice (RVNA & H) is to improve the health of the communities we serve in the Seacoast area of New Hampshire.

We are an ASPIRATIONAL ORGANIZATION.

WE ASPIRE TO DO MORE IN CARING FOR OUR COMMUNITY.



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Exeter Health Resources (EHR) Our History, Mission and Commitment

- > 125 year history of caring for and improving the health of the New Hampshire Seacoast community.
- Our goal is to ensure Exeter Health Resources continues its mission of providing healthcare services to continue to meet and exceed the healthcare needs of our community.
- Our responsibility is to ensure sustainability for our patients, community members and our staff.
- Our commitment is to focus on the shared mission of bringing greater access to care to patients and advancing the science practice of medicine through groundbreaking research and education.



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Exeter Health Resources (EHR)

An Affiliation Brings Many Benefits

- After undertaking a comprehensive and lengthy strategic review we have determined the affiliation with Beth Israel Lahey Health is the best means to ensure Exeter Hospital and its related entities will fulfill their collective aspirations serving the healthcare needs of the community now and for decades to come.
 - 1. Exeter as a destination center for advanced care in our community and invest in essential healthcare services.
 - 2. Resources of a financially stable health system.
 - 3. Cohesive and aligned cultures and values.
 - 4. The ability to retain and attract high performing staff.
 - 5. A shared vision for next generation healthcare that meets patients and their families in their community where they reside.



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Exeter Health Resources (EHR)

Key Aspects of the Affiliation

- Our Affiliation Agreement provides among many things:
 - 1. Continue a local Board of Trustees with a vital role in advancing healthcare services in the Seacoast.
 - 2. Beth Israel Lahey Health to invest over \$300 million in Exeter's facilities and clinical services which is also a direct investment in our community.
 - 3. Ensure continued access to health services including cardiovascular, cancer care, orthopedics and women's health in the local community and expanding mental health and substance use disorder services.
 - 4. Continue to build on a deep commitment of supporting our communities through community benefit programing (currently in excess of \$116 million per year) that enables access to important healthcare services.
 - 5. Continue investment in staff nurses, physicians, technicians and support staff



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Exeter Health Resources (EHR)

Concluding Thoughts

- ➤ The Board of Trustees through its deliberations concluded that the status quo is not an option for the future of our organization or this community.
- ➤ If Exeter Health Resources does not evolve it cannot possibly meet the growing healthcare needs of the region it cannot fulfill its aspirations to do more for you.
- > The path of that necessary evolution compellingly leads to the proposed BILH affiliation.
- ➤ The Board of Trustees is confident that through the proposed affiliation with BILH, our organization and this community can look forward to a future in which our vibrant and comprehensive health system continues to thrive and be an active partner with the community working to meet its ever evolving healthcare needs. With continued investment in our people, nurses, physicians, technicians and support staff in an environment of chronic labor shortages so we can take care of you.

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Our Vision and Foundational Commitments



we will measure success by the difference we make in people's ives.



Beth Israel Lahey Health

An integrated healthcare system committed to:



Providing extraordinary care close to where our patients live and work



Investing in and strengthening local and community-based care



Advancing the science and practice of medicine by investing in transformative research and education



Working to **keep our patients healthy** and care for them **in their communities**

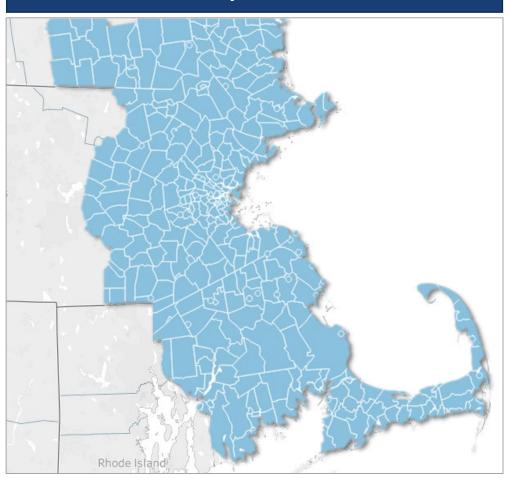


Embracing a new model of care that helps contain rising healthcare costs

System Overview



Beth Israel Lahey Health Service Area



Network	Hospitals	13	
	Primary Care Locations	165	
	Employees	37,000	
	Operating Revenue	\$7.1 billion	
	Community Benefits Investment	\$124 million	
Patient Care	Patients	1.6 million	
	Performance Network Covered Lives	492,090	
	Performance Network Physicians	4,582	
Research & Training	Doctors in Training	2,300	
	Active Clinical Trials	2,776	
	Research Funding	\$270 million	

Our Long-Range Strategic Plan





Our Commitment to Transformative Behavioral Services



Beth Israel Lahey Health Behavioral Services

Personal, compassionate, state-of-the-art, integrated behavioral care that makes a difference in the lives of the people and communities we serve

Inpatient

- Nearly 500 inpatient psychiatric and addiction beds within BILH
- 19 programs in 17 facilities
- Dedicated psychiatric specialty hospital (BayRidge)

Ambulatory

- 50 sites of behavioral health –
 primary care integration, with the
 goal of 100% of practices by 2024
- 14 outpatient mental health & substance use disorder programs

Community-Based

- Services Across 55 Communities
- 10 Emergency Departments
- 13 Police Departments
- Home-based, school-based, community outreach & peer services

Beth Israel Lahey Health + Exeter Health Resources

Beth Israel Lahey Health

What Are We Seeking to Accomplish Together?







- Long-standing history and strength in New Hampshire
- Clinical excellence supported by a well-aligned physician network
- Financial strength and sustainability
- Unwavering commitment to community and local care

- Unique balance of tertiary and community care
- Track record of growing community health systems
- Commitment to innovation and transformation in building towards healthcare of the future
- System and local governance designed to support an integrated system of care

Together, we have an opportunity to establish Exeter as BILH's destination center in New Hampshire, <u>backed by our shared</u> values, complimentary and aligned cultures, and commitment to elevating the health and well-being of our communities

Concluding Thoughts



- 1 Upon joining BILH, Exeter will be BILH's only health system in NH
- 2 BILH is highly community focused and Exeter will remain highly community focused
- BILH successfully collaborated with regulators to design a system that increases access, sustainability, and helps contribute to managing health costs.
- 4 BILH is bringing significant new investment to NH through Exeter
- 5 Exeter will be a "first tier" organization an equal voice



Analysis of Proposed Transaction

Exeter Health Resources and Beth Israel Lahey Health

Public Hearing Presentation



Tyler Brannen, Senior Health Economist

BerryDunn Analysis – Is the Potential Transaction Good for the Community?

- ▲ Exeter Health Resources (EHR)
 - Quality
 - Cost
- ▲ EHR Community Health Needs Assessment 2019 and 2022
- ▲ EHR Community Benefits Report
- ▲ Beth Israel Lahey Health (BILH) plans for Exeter
- Advantages and challenges

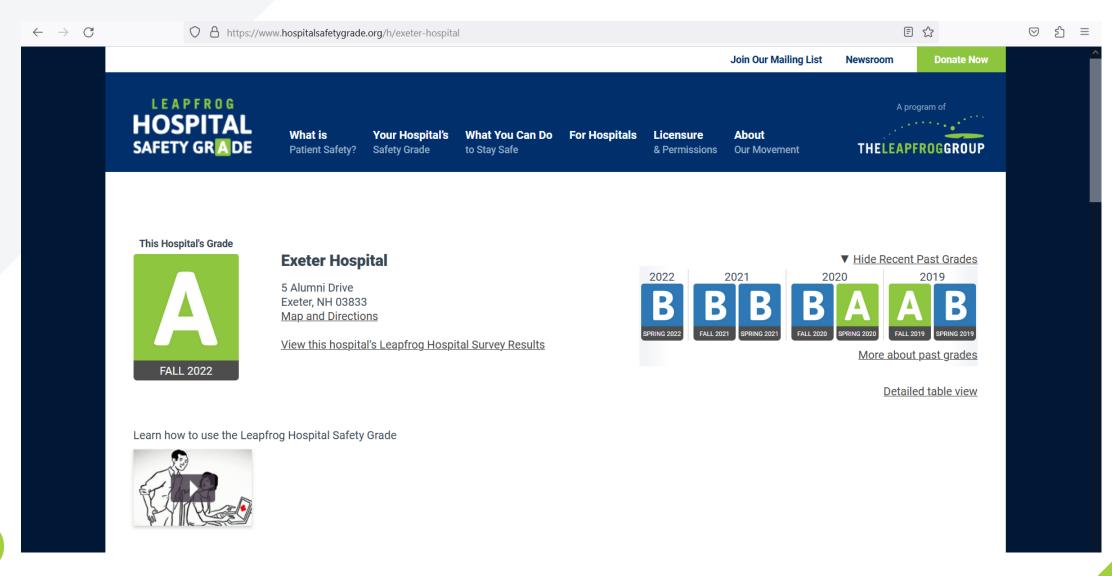


Exeter Hospital Community



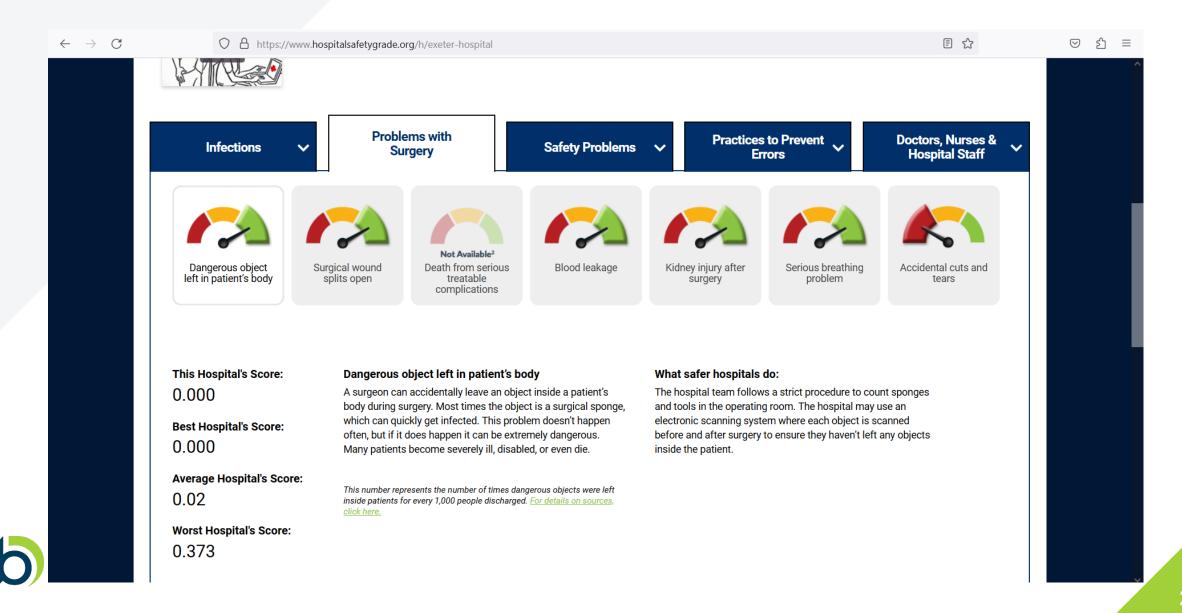


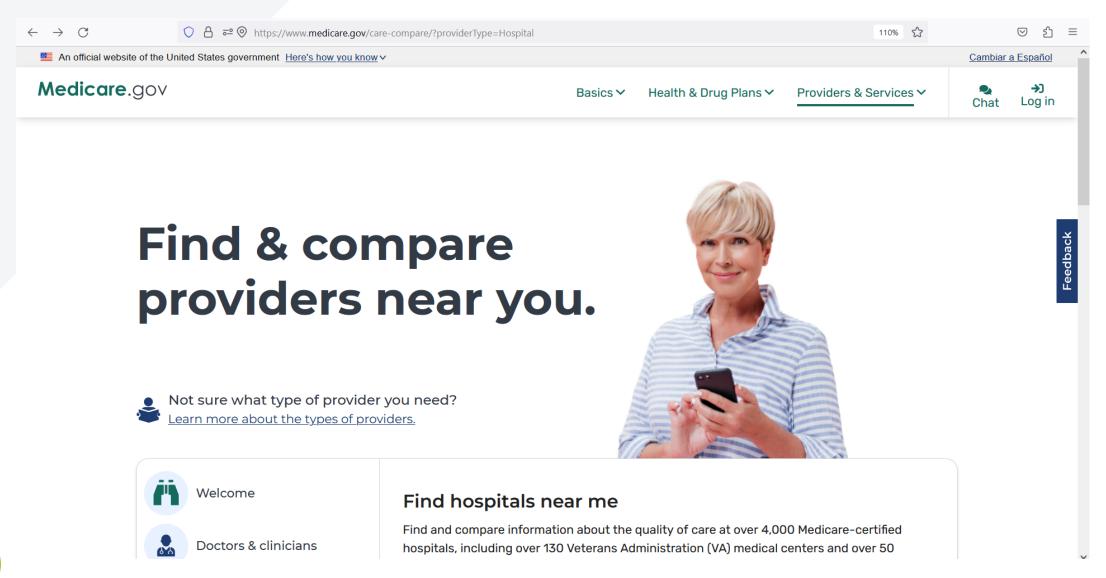
Leapfrog Hospital Patient Safety Grade - 2022



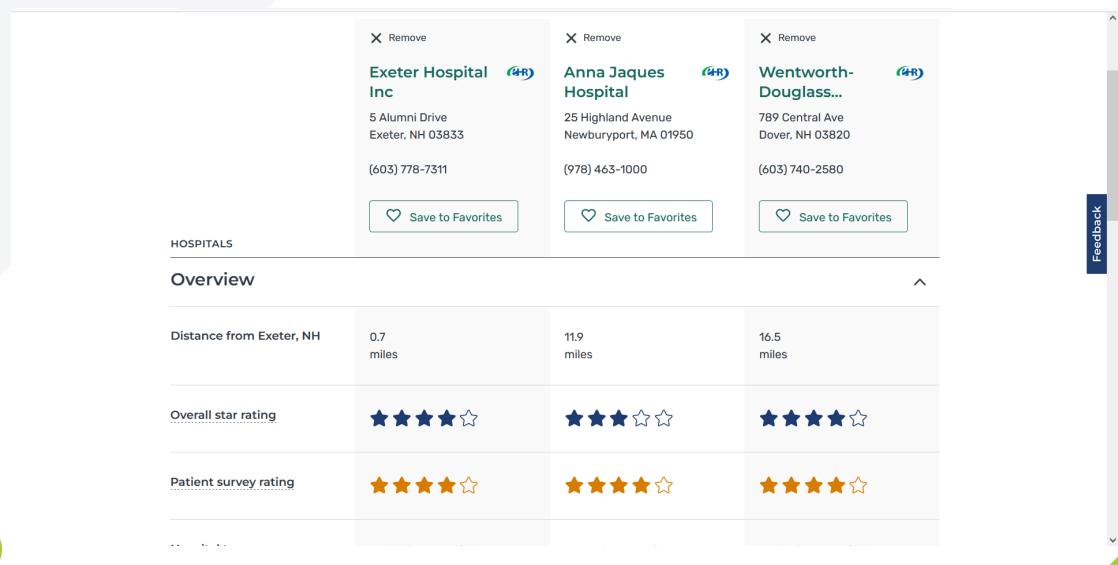


Leapfrog Hospital Patient Safety Grade - 2022













Data last updated: January 25, 2023

To explore and download hospital data, visit the data catalog on CMS.gov

To explore data on ambulatory surgical centers (ASC), visit the ASC data on CMS.gov



	Exeter Hospital Inc (4R) 5 Alumni Drive Exeter, NH 03833	Anna Jaques Hospital 25 Highland Avenue Newburyport, MA 01950	Wentworth- Douglass Hospital 789 Central Ave Dover, NH 03820	(UR)
Patients who reported that their nurses "Always" communicated well. National average: 79% NH average: 81%	81%	83%	83%	Feedback
Patients who reported that their doctors "Always" communicated well. National average: 80% NH average: 79%	81%	78%	81%	
Patients who reported that they "Always" received help as soon as they wanted.	68%	65%	65%	↑ Back to Top



Healthcare Costs

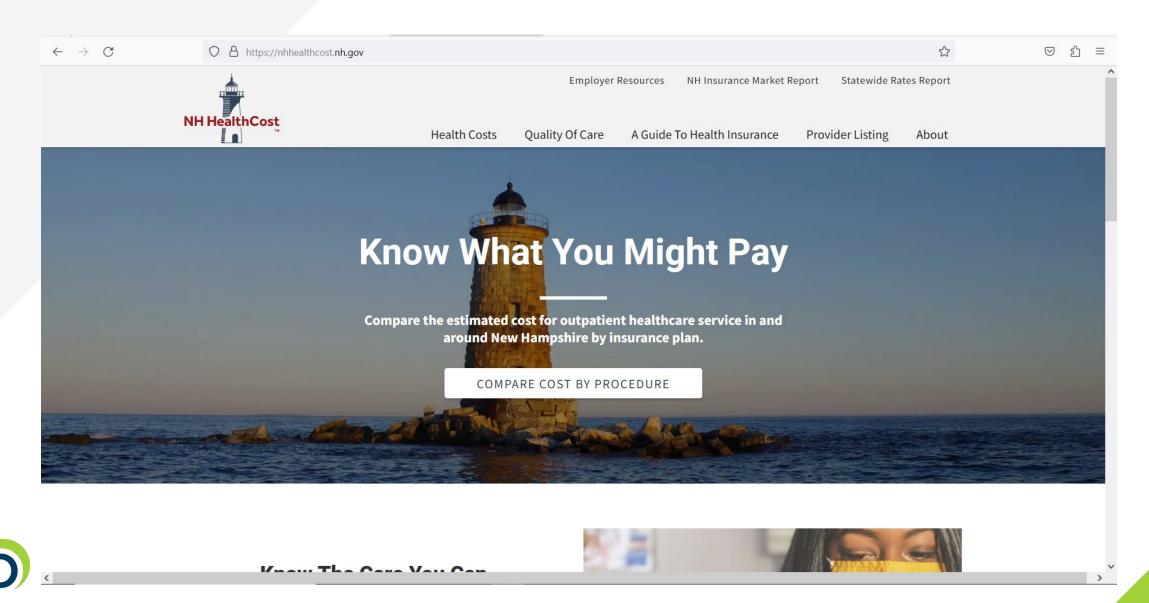
- Costs are relevant to the community regardless of insurance coverage
 - ✓ Upward pressure on health insurance premiums
 - ▲ Deductibles, coinsurance, copayments
 - Uninsured and underinsured
 - ▲ Healthcare delivery influenced by payment methods
 - ✓ Fee for service vs. value-based care
 - → High prices may result in insurance network disruptions
 - Cost avoidance can result in confusion and challenges for the patient

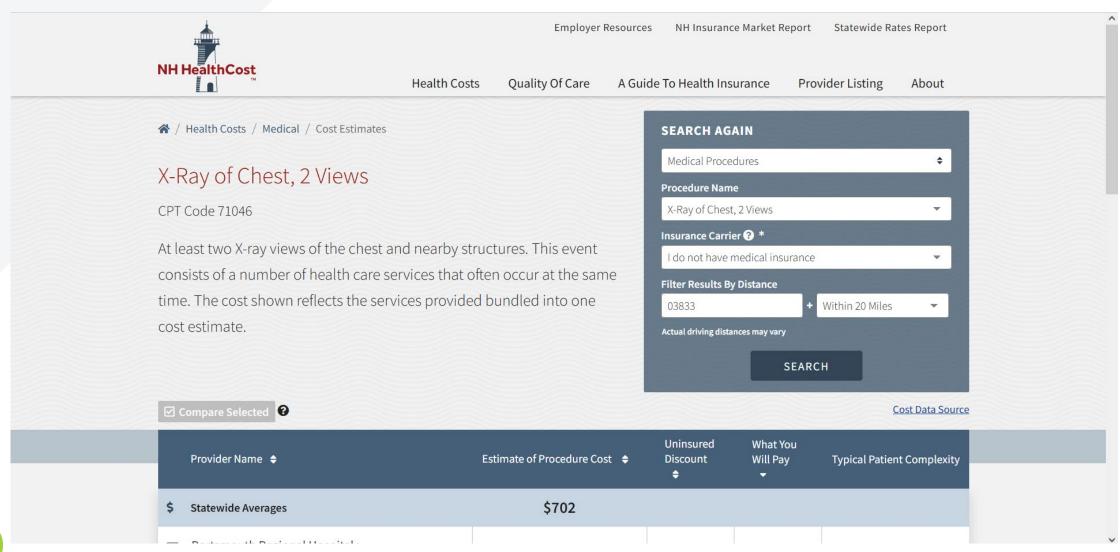


Healthcare Costs – Opportunities

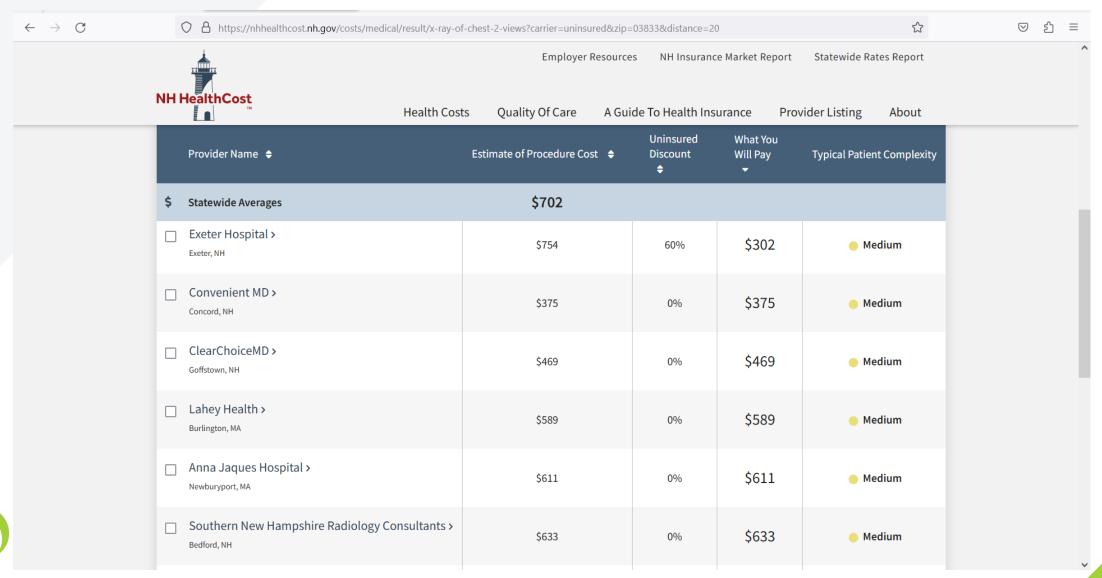
- Financial rewards for better health
- Population-based approaches
- Encouragement to provide appropriate levels of care without unnecessary services or harmful interventions
 - Patients more likely to be seen in the most appropriate healthcare setting
- Case-based or episode-type payment methods
 - Collaborative care models
- Good faith negotiations with health insurers and use of straightforward billing practices
- Appropriate financial assistance

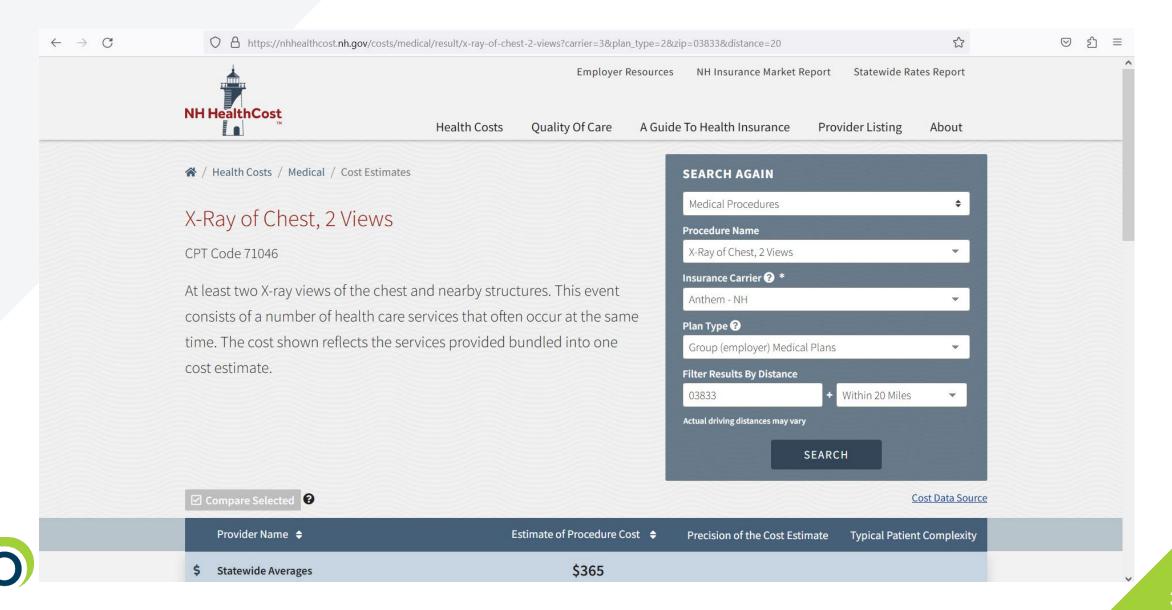


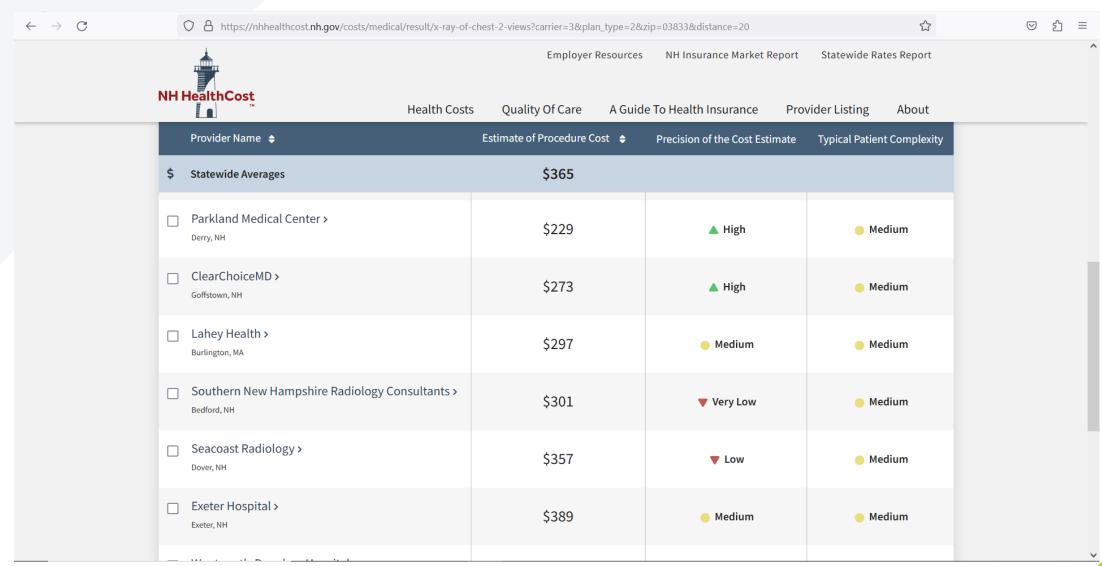












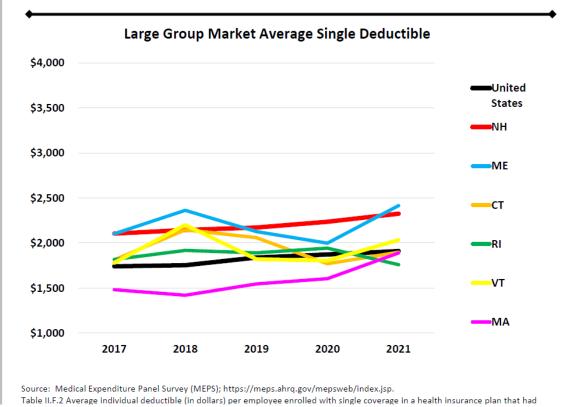


New Hampshire Insurance Department Report - 2021

OVERVIEW OF MARKETS AND NATIONAL COMPARISONS

This information is from the **Medical Expenditure Panel** Survey (MEPS) data. New Hampshire's average deductible was fairly constant between 2017 and 2019 and then increased slightly in 2020 and again in 2021. New Hampshire and Maine have the highest average deductibles in the Large Group Market compared to the other New England states. There is less variability in average deductibles by state in the Large Group Market compared to the Small Group Market and the variability in the Large Group Market decreased in 2019, 2020 and 2021 compared to 2018. In 2018, there was a 66% difference when comparing the highest to lowest New England states compared to

New Hampshire's Large Group Market average deductible was higher than the United States average by approximately 22% in 2021. There continues to be much less variability in the average deductible by state in the Large Group Market compared to the Small Group Market.





Linking Community Needs, Benefits, and Opportunities

- ▲ EHR community needs assessments
- ▲ EHR community benefits report
- ▲ BILH/EHR opportunities



EHR Community Health Needs Assessment – 2019 and 2022

- ✓ Substance use disorder and mental health services remain significant concerns for Seacoast residents
- People cannot afford preventative care and delay appointments, and need timely access to primary and specialty care providers
- ✓ Transportation remains both a health need priority and a barrier to care, most prominently for older adults and disabled community members
- Additional forum discussion themes:
 - Need for specialized geriatric care
 - Suicide prevention
 - Affordable housing
 - Cost of dental services
 - Cost of insurance premiums, deductibles, and issues with the affordability of prescription drugs



Exeter Hospital Community Benefits Report – 2021, 2022

- Issues identified and benefits provided
 - Financial barriers to care
 - Charity care through Exeter Hospital and Core Physicians charity care policies, services provided below cost
 - Mental health and substance use treatment needs.
 - Cash donations, subsidized services, funding of education in support of Youth Suicide initiative, initiating internal opioid task force, expansion of support services with Seacoast Mental Health



Exeter Hospital Community Benefits Report – 2021, 2022

- ✓ Issue identified and benefits provided:
 - Aging Population / Senior Services
 - Grants to Rockingham Meals on Wheels, Community Toolbox, Society of St. Vincent de Paul
 - Transportation Services
 - Hospital supported subsidized transportation program via taxi voucher program, support for Lamprey Health
 Care transportation services, Transportation Assistance for Seacoast Citizens (TASC) taxi voucher program with
 Seacoast Community Mental Health



BILH/EHR Identified Growth Opportunities

- ▲ Cardiology, vascular surgery, general surgery, gastroenterology, oncology, and orthopedics
- Primary care, behavioral health, substance use treatment, and pediatrics
 - Primary care extended office hours and allow more walk-ins
 - Licensed Clinical Social Workers in primary care offices
 - Collaborative Care Model
- ✓ Service lines with staff recruitment challenges
- Cooperation with partner organizations essential
 - Seacoast Mental Health Center, Lamprey Health Care



Expectations for Addressing Community Needs

- ▲ Access to high quality primary/specialty care
- Coordination with partners and building on existing relationships with community health centers
 - Use of collaborative care model and clinical social workers
 - Virtual treatment
 - Obstetrical services
 - Elder care, including post-acute care
 - Sharing of clinical resources within BILH entities



Expectations for Addressing Community Needs

Considerations for cost

- Address barriers to health care based on cost
 - Manage administrative costs efficiently
- Good faith negotiations with health insurers and market competitive prices
- Use of alternative or value-based care payment models
- Support of transparency efforts
- Appropriate financial assistance policies



Key Expectations with the Proposed Transaction

- Clinical affiliations extend and maintain existing relationships
- Administrative economies of scale and shared clinical resources
 - Joint purchasing
 - Clinical expertise/innovations
 - Support transition toward population health management/value-based care
 - Patient safety programs, technology, data, analytics, and best practices
- Maintenance of existing facilities, services, and programs
- ▲ Commitment to employees for 24 months



Affiliation Considerations

- ▲ Exeter Hospital/EHR has weathered the pandemic well
- Quality and patient safety indicators are generally positive
- ▲ Favorable local environment for a small hospital, but organizational limitations and unmet community needs have been identified
- ▲ BILH proposal is responsive to many of the identified needs of EHR and Exeter, and BILH is well positioned to provide a favorable transition
- ▲ An effective health system strategy needs to balance availability of highquality local services, increasing costs, and the need for more complex specialty care



Affiliation Considerations

- Details associated with expansion of services are not well defined
 - Will the financial model work?
- ▲ Exeter community needs are typical for New Hampshire, and practical barriers exist to implementing the proposed changes
- Opportunities for administrative economies of scale and shared clinical resources exist, but health care prices are unlikely to be lower
- ▲ Some local control will be lost.







Q&A Scott Spradling

President, The Spradling Group



Q&A Ground Rules

Questioners: Please state your question or comment in less than 2 minutes and refrain from personal attacks

Responders: Please state your response in less than 3 ½ minutes



Comments May Be Submitted to the Director of Charitable Trusts

Mail:

Director of Charitable Trusts
NH Department of Justice
33 Capitol Street
Concord, NH 03301

Email:

<u>CharitableTrustsUnit@doj.nh.gov</u>

More information about the proposed transaction is available at www.doj.nh.gov/charitable-trusts/