

APPENDIX P

NORTH COUNTRY HEALTHCARE

Proposed Merger Aims To Stabilize Primary Care "In Jeopardy"

Details Presented In Public Listening Session; State Could Approve A Merger By Autumn

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After a half-decade of financial struggles at Indian Stream Health Center, a merger has been proposed between ISHC and Upper Connecticut Valley Hospital that aims to reestablish quality, predictable primary care in the community.

A merger also fits with UCVH's plan to establish a designated Rural Health Clinic in Colebrook to serve North Country and Northeast Kingdom residents.

If approved for the two Colebrook-based organizations, ISHC, a Federally Qualified Health Center, would convert to an RHC operated under the RHC license of Weeks Medical Center and managed by Weeks, but branded as a North Country Healthcare UCVH program.

(All nonprofits, NCH is the parent organization of WMC and UCVH).

The merger must first be approved by the Charitable Trusts Unit of the office of the New Hampshire Attorney General.

If it meets the law on healthcare acquisitions, it could be approved within six months, by autumn, if not earlier.

An RHC established at ISHC would offer outpatient behavioral health services, medication-assisted treatment (MAT) that would be introduced in Colebrook to treat those suffering from addictions, and a retail pharmacy with discounts for qualifying patients.

During a 90-minute remote listening session on Wednesday that drew 75 area residents, Gail Fisher, chair of the board of directors for ISHC; Odette Crawford, board chair for UCVH; and Scott Colby, CEO and president of UCVH, took questions and outlined the plan, the structure, payment programs for patients, and expected job losses.

Fisher painted a dire picture of the current situation.

"I think the future of primary care is at stake in our area," she said.

To prepare for the merger and

stabilize the situation, a temporary RHC building will be set up at UCVH to provide primary care services.

"During this past winter, the hospital finalized our plans for a modular building to be installed on the hospital campus in the parking lot," said Crawford. "It's going to be big enough so there's plenty of room for everybody to get around. That should be arriving shortly and we are planning for our opening in May."

ISHC is "Downward Spiral" For only about three of Fisher's 12 years on the board, ISHC finished the year in the black, and most of the years lost money.

Although a FQHC receiving federal money, ISHC is not completely federally funded and needs money from patient visits.

"It's certainly been a struggle every year," said Fisher.

The hiring of a medical director and money put into marketing were made in 2016 to help, but they didn't and were expensive and only put ISHC into more debt, she said.

That year, ISHC's finances took a turn for the worse when the U.S. Drug Enforcement Administration began investigations in Coos County, including of former ISHC physician John Fothergill for possible criminal violations in drug and opioid prescription practices.

Fothergill subsequently departed ISHC to open a competing practice called North Country Medical and Wellness and took many of his patients with him.

(That case remains ongoing with no charges to date filed against Fothergill or his practice).

"The DEA investigation hit Indian Stream very hard and shook us to our core," said Fisher. "There was a lot of fallout at our FQHC ... [and] the practice was damaged because of public opinion."

Other providers left ISHC, and financial losses mounted.

UCVH helped out in 2018 with a \$300,000 grant to keep ISHC in business.

UCVH also helped finance a needed switch at ISHC to a new electronic medical records system,

but providers didn't get on board with the system and the remaining ISHC providers had departed by September, she said.

In early August, determining that primary care access in Colebrook and Canaan was in jeopardy, UCVH and ISHC representatives met to discuss the possibility of ISHC converting to an RHC because of the provider turnover, said Crawford.

Currently, ISHC is about \$750,000 in debt, and it's mounting.

Even a \$1.3 million COVID-19 grant isn't a silver bullet as much of it must be used for COVID-related expenses, said Fisher.

While ISHC will lose some \$2 million in federal funding by becoming an RHC, Colby said that money is only part of the equation and doesn't address the underlying and systemic issues of provider turnover and inability to cover expenses.

"We had three alternatives," said Fisher. "One, we could continue to try to be a standalone FQHC. Two, we could try to become a satellite of one of the other FQHCs in the area. Three, we could merge with UCVH, which was planning to put up a Rural Health Clinic in Colebrook."

Discussions about being a FQHC satellite with the Plymouth-based Mid-State Health Center didn't pan out, she said.

In looking at establishing an RHC in Colebrook, UCVH and WMC determined the RHC should include providers in North Stratford, where three former ISHC providers, now working for WMC, had set up practices, said Crawford.

The hope was to get them back, she said, and three have already committed to return to Colebrook to practice at the RHC.

If ISHC were to merge with UCVH, it was critical for it to have excellent outreach and care management and serve the 400 patients using the sliding scale and the 340B discount drug program, said Fisher.

"It was foremost in the minds of the board of Indian Stream that

we not let those people down, that somehow we would, in maybe a different form, meet the discount drug and sliding scale because financially it's their pocketbooks that is really critical to us," she said.

Charity Care And Pharmacy It is also critical that care continues for lower-income residents, and side-by-side comparisons show that such care provided by both organizations is similar, said Colby.

UCVH has a charity care program and ISHC has a sliding scale fee program.

The federal poverty level is the guideline a patient would hit to qualify, he said.

ISHC's sliding scale fee discount program would allow up to 200 percent of the federal poverty level for a single person.

Under the UCVH program, a person is allowed to make up to 300 percent of the federal poverty level and still qualify for free, charity care.

ISHC requires documentation, but not as much as UCVH, which requires proof of income for charity care, but not proof of assets.

UCVH also requires patients to apply for Medicaid expansion.

"The bottom line is the programs are close, but not exactly the same, with ISHC having a slight advantage for patients given that application and documentation assistance is not required," said Colby. "This is offset by UCVH's program offering free care up to 300 percent of the federal poverty line and a self-pay discount of approximately 40 percent."

The workgroups that were established also looked at care coordination to ensure that patients would have access to all the support services they need at both organizations, including navigating the pharmacy discount program.

The 340B pharmacy program has received the most attention by area residents, said Colby.

ISHC offers the 340B and WMC and UCVH are 340B participants, which means they have the same access to the pricing of medications as Indian Stream and the same capability to pass savings along to patients, though some savings might need to be

retained to keep a new RHC financially viable, he said.

A charity care program unique to the retail pharmacy is also being developed that includes pharmacy access and income qualifications, with access available to all patients and assistance for lower-income residents through vouchers to pharmacies, said Colby.

All options under Medicaid expansion would be exhausted before the discount program could be accessed.

Job Losses

During the merger study process, it became clear that there would be job losses when look at the staffing levels needed at an RHC, said Colby.

"The number of people who may possibly be displaced is up in the air," he said. "There is always attrition and there are always positions opening ... The overarching goal of the RHC is to ensure that our communities have access to high-quality predictable healthcare ... UCVH and Indian Stream value their employees, and any job loss is going to be hard. Our employees are not just a means to an end. Our employees are the backbone to our organizations."

Steps to mitigate job losses include finding jobs for qualified workers within the NCH system, which, in addition to UCVH and WMC, also includes Androscoggin Valley Hospital in Berlin, making NCH organizations commutable for many in Coos, he said. "There are opportunities," said Colby. "Some opportunities will be here in Colebrook and some throughout the system."

Job fairs will also be held in late spring, both on-site at UCVH and remote.

About 20 full-time employees are estimated to be needed to run an RHC practice in Colebrook. Currently, UCVH has about 100 full-time equivalent employees.

At the end of 2019, ISHC had around 44 FTE employees, though that number has dropped to a current total of about 33 FTE, said Fisher.

Next Steps

After Wednesday's listening session, a public hearing will be scheduled, which is required un-

der the state's approval process.

Until the merger goes through and until the ISHC is renovated, the 2,500-square-foot modular building at UCVH will house primary care, behavioral health, the retail pharmacy, and MAT, said Colby.

"That will continue to be used after the merger because there will be some necessary renovations done to Indian Stream to ensure we have an up-to-date plant," he said.

Renovations include more private exam areas and a patient flow that is optimal for behavioral health and MAT services, he said.

The opening of the RHC will be staffed with current employees of WMC.

As for Indian Stream, Fisher said, "We intend to be a FQHC until almost the moment this is approved and we merge into an RHC."

One listener asked how local competition will be maintained.

"The goal of the merger is to reestablish quality, predictable primary care," said Colby. "There will still be three practices. We still have North Country Medical and Wellness, we have Monadnock Healthcare, and then we'll have the RHC in Colebrook. I believe competition will be preserved, but the main focus of this is to ensure access to primary care because right now we're having a situation of disruption to primary care access, which has been harmful to the communities that we all serve."

Currently, ISHC has a location across the river in Canaan.

That could change, though, as RHC requirements do not appear to allow an RHC in Colebrook from going across state lines, said Colby.

"Based on need, we would be looking at the possibility of a satellite location in Stewartstown to serve that area as well," he said.

If a merger is not approved, Colby said UCVH would still pursue an RHC.

Fisher said ISHC would try to continue as a FQHC if a merger is denied, but would scale down in size.

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