THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS **SUPERIOR COURT**

STATE OF NEW HAMPSHIRE
One Granite Place South
Concord, NH 03301

217-2024-CV-00206

and

ATTORNEY GENERAL,
DIRECTOR OF CHARITABLE TRUSTS,
One Granite Place South
Concord, NH 03301

Plaintiffs,

v.

VALLEY REGIONAL HEALTH CARE, INC.
243 Elm St.
Claremont, NH 03743,

VALLEY REGIONAL HOSPITAL, INC.
243 Elm St.
Claremont, NH 03743

and

DARTMOUTH-HITCHCOCK HEALTH,
One Medical Center Dr.
Lebanon, NH 03766

Respondents.

217-2024-CV-00206

Docket No.

COMPLAINT

NOW COMES the State of New Hampshire, by and through its attorneys, the Office of the Attorney General, Consumer Protection and Antitrust Bureau ("CPAB"), and the Attorney

General, Director of Charitable Trusts ("DCT") (collectively, "Plaintiffs" or "Attorney General") to bring this civil action alleging that the proposed acquisition of Valley Regional Healthcare, Inc. ("VRHC") (which is the sole corporate member of Valley Regional Hospital, Inc. ("VRH")) by Dartmouth-Hitchcock Health ("D-HH") (collectively, "Respondents"), as currently contemplated by the Respondents' Integration Agreement (the "Transaction"), constitutes an unfair method of competition that risks substantially lessening competition and creating a monopoly. Such competition may be lessened, at a minimum, in the provision of inpatient general acute care services in Sullivan County, New Hampshire (Valley Regional Hospital's primary service area). Without a remedy, these impacts may result in higher prices that will be borne by health care purchasers, particularly commercial health insurers, public and private sector employers, unions, and self-pay patients in New Hampshire. Accordingly, Plaintiffs seek an injunction, or other sufficient remedy, and other relief pursuant to the New Hampshire Combinations and Monopolies Act, the New Hampshire Consumer Protection Act, and the New Hampshire statutes pertaining to charitable trusts (and as these statutes are informed by federal law and policy including the Clayton Act, 15 U.S.C. §§ 18, 26). N.H. Rev. Stat. Ann. chs. 7 (§§ 19–32-l), 356, 358-A; *see also* N.H. Const., Part II, Art. 83. As grounds for this complaint, the Plaintiffs state as follows:

INTRODUCTION

1. Hospitals are an integral part of the lives of New Hampshire citizens. In cities and towns throughout New Hampshire, hospitals and providers are a key part of the health care delivery system. Hospitals are there when people give birth, seek treatment when they are injured, or live with a chronic illness. Hospitals and providers respond to the health care challenges in their communities and provide care to all people, regardless of income or insurance status. The State

greatly depends on and values hospitals and providers in their caretaking of New Hampshire communities.

2. Employers and consumers depend on free and fair competition in health care provider markets to access affordable and quality hospitals, doctors, and other services when seeking to purchase or develop health plans for employees or seeking direct access to services.

3. Competition between hospitals and health care delivery systems such as VRHC and D-HH maintains incentives in the marketplace to offer services at affordable rates, to provide high-quality services, to innovate the management of patient care, and to provide and develop new services.

4. Employers and consumers often rely on health insurance companies to develop affordable and well-designed health plans based on negotiated reimbursement rates and terms with providers for their services in the geographic area needed for patient access.

5. When meaningful competition is lost among health care providers, health insurance companies and other health care purchasers correspondingly lose the ability to negotiate fair rates and terms with the newly consolidated entity, and the higher costs are often passed through to employers and consumers by way of diminished health plan design, higher deductibles and copays, and the like. This greatly impacts a whole spectrum of purchasers and health plan members, including the State's health plan, municipal health plans, private sector health plans offered by businesses of all sizes, and self-pay individuals.

6. CPAB evaluated the competitive impact of the Transaction and alleges that D-HH's acquisition of VRHC risks lessening competition for affordable, accessible, and quality inpatient hospital services. Further, the Transaction will result in an increase to D-HH's existing significant market power in the region.

7. Further, the DCT is required by statute to review any change of control or acquisition transaction of a health care charitable trust to determine compliance with the requirements of N.H. Rev. Stat. Ann. § 7:19-b. In determining compliance with the statute, the proposed transaction must be permitted by law, including other applicable statutes and common law, which includes those enforced by CPAB.

8. CPAB and DCT identified to the Respondents their concerns about the adverse effects of the Transaction and the resulting impact on consumers and commercial health plans, and Respondents agreed to terms of relief in furtherance of the public's interest under the circumstances of this case, including taking measures to ensure that potential pro-competitive effects of the Transaction identified by the Respondents throughout the investigation are realized, and to avoid the time, expense, and uncertainty of litigation should they instead dispute these concerns.

9. Accordingly, the Plaintiffs ask the Court to grant an injunction or an alternative remedy sufficient under the circumstances of this case as set forth in the proposed Final Judgment filed in conjunction with this Complaint.

PARTIES

10. Plaintiff State of New Hampshire, acting through the Office of Attorney General's CPAB, enforces state and federal laws designed to protect free and open markets for the benefit of consumers. N.H. Rev. Stat. Ann. chs. 356, 358-A; 15 U.S.C. §§ 18, 26; *see* N.H. Const., Part II, Art. 83.

11. Plaintiff DCT has the common law duty and power to supervise and enforce charitable trusts. *See* N.H. Rev. Stat. Ann. § 7:19–32-*l*; *see also In re Robert T. Keeler Maint. Fund,* 2023 N.H. LEXIS 124, *8–9 (July 13, 2023) (quoting *In re Trust of Mary Baker Eddy*, 172 N.H. 266, 273 (2019) ("[T]he attorney general (or the DCT, as his representative) has the statutory

power and duty to represent the public in the enforcement and supervision of charitable trusts.")). The DCT is further required by statute to review any change of control or acquisition transaction of a health care charitable trust to determine compliance with the requirements of N.H. Rev. Stat. Ann. § 7:19-b.

12. Plaintiff State of New Hampshire by and through the CPAB also brings this action in its sovereign capacity and as *parens patriae* on behalf of and to protect the health and welfare of its citizens and the general economy of the State. N.H. Rev. Stat. Ann. §§ 356:4-a, :4-b, § 358-A:4.

13. VRHC is an independent, nonprofit community health care provider and is exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code. VRHC is the sole corporate member of VRH, a critical access hospital with 25 licensed beds, of which 21 are staffed beds, in Claremont, New Hampshire. Collectively, VRHC and VRH provide inpatient, outpatient, and professional health care services in Sullivan County. The address of VRHC and VRH is 243 Elm St, Claremont, NH 03743.

14. D-HH is the coordinating organization of a nonprofit, multi-member integrated academic health system with facilities located across New Hampshire and Vermont and is exempt from federal taxation under Section 50l(c)(3) of the Internal Revenue Code. The D-HH System is anchored by its flagship academic medical center, Dartmouth Hitchcock Medical Center ("DHMC") located in Lebanon, New Hampshire. D-HH's additional hospitals include three rural critical access hospitals—New London Hospital located in New London, New Hampshire, Mt. Ascutney Hospital and Health Center located in Windsor, Vermont, and Alice Peck Day Memorial Hospital located in Lebanon, New Hampshire. The D-HH System also includes two acute care community hospitals—Cheshire Medical Center, located in Keene, New Hampshire and

Southwestern Vermont Medical Center located in Bennington, Vermont. The D-HH hospitals located in New Hampshire are concentrated across the western region of New Hampshire with Mt. Ascutney Hospital and Health Center located just over the border in Vermont. The address of D-HH is One Medical Center Drive, Lebanon NH 03766.

JURISDICTION AND VENUE

15. VRHC and VRH are headquartered in and transact business in New Hampshire. D-HH is headquartered in and transacts business in New Hampshire. This Transaction also will have effects on employers and consumers in the State of New Hampshire.

16. Venue is proper in the Merrimack County Superior Court because VRHC, VRH, and D-HH have consented to this venue for purposes of this matter pursuant to N.H. Rev. Stat. Ann. § 358-A:4, III(a).

17. Respondents, are, and at all relevant times have been, engaged in activities affecting "trade" or "commerce" as defined under N.H. Rev. Stat. Ann. § 358-A:1 and § 356:1.

18. VRHC and VRH meet, and at all relevant times has met, the definition of a Healthcare Charitable Trust as defined under N.H. Rev. Stat. Ann. § 7:19-b, I(d).

19. The Transaction constitutes a method of competition or act or practice subject to the Consumer Protection Act, N.H. Rev. Stat. Ann. § 358-A:2, an agreement or action subject to the Combinations and Monopolies Act, N.H. Rev. Stat. Ann. §§ 356:2, 3 and an acquisition transaction of a health care charitable trust subject to the statutes pertaining to charitable trusts, N.H. Rev. Stat. Ann. § 7:19-b.

BACKGROUND OF THE TRANSACTION

20. On December 6, 2022, VRHC and VRH entered into an Integration Agreement with D-HH, pursuant to which, as amended, D-HH will become the sole corporate member of VRHC.

21. DCT and the CPAB are authorized by New Hampshire law to review the Transaction, pursuant to their respective jurisdictions.

22. In accordance with New Hampshire law, Respondents provided notice of the proposed Transaction to the DCT on December 14, 2022, at which time the DCT began its review of the proposed Transaction.

23. In conducting the review under N.H. Rev. Stat. Ann. § 7:19-b, the DCT considered, among other things, the submissions by the Respondents as well as information submitted by or obtained from state agencies, outside health care experts community stakeholders, and members of the public.

24. CPAB investigated the likely effects of the Transaction on competition for health care services in the region served by VRHC and D-HH and the resulting impact on patients and health plans. This nonpublic investigation included conducting empirical analyses of detailed health care data with the assistance of antitrust and health care experts, and reviewing the Respondents' documentary submissions and information provided by marketplace participants.

25. VRHC and D-HH cooperated with the CPAB and DCT during the review and investigation. After the Plaintiffs informed Respondents that Plaintiffs were concerned about potential adverse impacts of the Transaction on competition and consumers, and concerns regarding compliance with the standards set forth in N.H. Rev. Stat. Ann. § 7:19-b, the parties worked together to develop the terms of an appropriate remedy suited to the circumstances of this case that would address the concerns of both CPAB and DCT.

26. On the date this Complaint is filed with this Court, in accordance with N.H. Rev. Stat. Ann. § 7:19-B, IV (a), the DCT issued its report on the proposed transaction. The report states that the DCT will take no further action with respect to the proposed transaction subject to certain

representations and the Respondents' compliance with all terms of the proposed Final Judgment as approved by this Court. *See* Exhibit A.[1]

27. Plaintiffs State of New Hampshire and DCT represent that the proposed Final Judgment filed concurrently with this Complaint includes agreed-upon terms for resolution and is in the public's interest.

RELEVANT HEALTH CARE SERVICES AND GEOGRAPHIC MARKET

28. Plaintiffs allege that the Transaction risks substantially lessening competition for inpatient hospital services in Sullivan County, New Hampshire (VRH's primary service area), which may lead to adverse effects on market performance, including, but not limited to, higher prices.

29. Respondents provide inpatient general acute care ("inpatient GAC") hospital services to consumers in Sullivan County. Inpatient GAC hospital services consist of a broad range of medical, surgical, and diagnostic services that require an overnight hospital stay.

30. Respondents compete against one another to provide inpatient GAC hospital services. VRH is geographically surrounded by D-HH hospitals: Dartmouth Hitchcock Medical Center and Alice Peck Day Memorial Hospital to the north, New London Hospital to the east, Mount Ascutney Hospital and Health Center to the west, and Cheshire Medical Center to the south.

31. A relevant geographic market to assess the competitive effects of this Transaction for inpatient GAC hospital services is Sullivan County. The geographic market is informed by empirical analysis of health care data showing patient utilization of hospital services and information from marketplace participants.

32. To compete for commercially insured patients (including members of fully insured

[1] The DCT report incorporates two exhibits, one exhibit is the proposed Final Judgment, which is omitted from this filing.

and self-insured plans), Respondents enter into reimbursement agreements with commercial health insurers. Patients generally prefer to have access to inpatient GAC hospital services close to where they live and work. Without access to inpatient GAC hospital services at VRH or other D-HH hospitals, consumers in and around Sullivan County would have limited or no other local options and would have to travel significantly longer distances to receive such services.

THE TRANSACTION IS PRESUMPTIVELY ILLEGAL

33. Transactions that significantly increase concentration in already concentrated markets are presumptively anticompetitive and therefore unlawful.

34. The Transaction risks the loss of competition between Respondents, at a minimum for inpatient GAC hospital services in Sullivan County. One way to assess the likely competitive impact of the Transaction is to utilize standard quantitative metrics, such as the Herfindahl Hirschman Index ("HHI") and Diversion analysis, to measure current competition between Respondents.

35. The risk of harm from lost competition between VRH and D-HH for inpatient GAC hospital services can be shown through the Transaction's effect on the HHI, a commonly accepted metric for overall market competitiveness. This metric evaluates both the existing market shares of each firm or entity competing in the market and the existing market concentration level (*i.e.,* pre-transaction HHI), and then assesses the increase in market concentration that will occur after the consummation of the proposed transaction at issue (*i.e.,* post-transaction HHI). Transactions that result in highly concentrated markets (defined as having an HHI over 1,800) that also involve an increase of greater than 100 points between pre-transaction and post-transaction HHI create a presumption that the transaction will

substantially lessen competition or tend to create a monopoly.[2]

36. An HHI analysis here shows that, for inpatient GAC hospital services in Sullivan County, the Transaction results in a post-transaction HHI exceeding 7,000 and an increase of more than 2,000 points, significantly exceeding recognized thresholds creating a presumption that the transaction will substantially lessen competition or tend to create a monopoly. Jointly, VRH and D-HH hospitals account for more than 80 percent of inpatient GAC hospital services delivered to Sullivan County residents. Enhanced market power risks harm to consumers in the form of increased prices for commercial patients and decreased quality and innovation for all patients.

37. Diversion analysis is another standard economic tool to analyze the likely competitive impact of a proposed transaction. Diversion analysis involves estimating patients' second-best option for health care services to determine the frequency with which transacting entities are the best alternative for each other. The higher the diversion ratio, the more the entities are the best alternatives for each other, and the more likely it is that the transaction would give the consolidated entity greater leverage in negotiations with commercial health insurers.

38. The Diversion ratio from VRH to D-HH hospitals is approximately 80%, indicating that D-HH hospitals are VRH's closest substitutes.

39. Absent relief, this Transaction risks increasing the bargaining leverage of Respondents in negotiations with commercial insurers. Faced with higher reimbursement rates and other less favorable terms, commercial insurers will likely pass on some or all of those higher health care costs to employers, their employees, and other consumers in the form of increased

[2] *See* Merger Guidelines, U.S. Department of Justice and the Federal Trade Commission (Dec. 18, 2023).

premiums, co-pays, deductibles, other out-of-pocket expenses, and diminished plan offerings and design.

40. Self-insured employers that pay the cost of their employees' health care claims directly, and their health plan membership who share in those costs, will bear the full burden of higher reimbursement rates and other less favorable terms. Fully insured employers, their health plan membership, and other consumers similarly will face adverse consequences such as higher premiums, reduced health plan design offerings, and decreased coverage.

41. Absent relief, the Transaction risks substantially lessening competition and increasing prices amounting to an unfair method of competition due to the loss of competition for inpatient GAC services between VRH and D-HH.

VIOLATIONS AND RELIEF REQUESTED

COUNT I - UNLAWFUL ACQUISITION

42. The Plaintiffs repeat and reallege the facts in the previous paragraphs and incorporated them by reference as though fully set forth herein.

43. Part II, Article 83 of the New Hampshire Constitution preserves free and fair competition as an inherent and essential right of the people to be protected against unfair combinations and calls for limitation and regulation of the size and function of corporations. This provision grants to the General Court all just power possessed by the State to legislate and regulate in a manner that, among other things, prevents the destruction of free and fair competition in the trades and industries caused by combinations, monopolies, or other unfair means.

44. The Combinations and Monopolies Act prohibits, among other things, combinations in restraint of trade and those that have the purpose or effect of controlling prices or controlling the production of services, as well as the establishment, maintenance or use of

monopoly power, and is informed by federal antitrust law and policy, including the Clayton Act, 15 U.S.C. §§ 18, 26, which prohibits combinations whose effect may be substantially to lessen competition or tend to create a monopoly. *See* N.H. Rev. Stat. Ann. §§ 356:2, 356:3, 356:14.

45. The New Hampshire Consumer Protection Act prohibits, among other things, the use of unfair methods of competition in the conduct of trade or commerce within the State. *See* N.H. Rev. Stat. Ann. § 358-A:2.

46. The New Hampshire statutes pertaining to charitable trusts provide that health care charitable trusts shall not consummate an acquisition unless permitted by applicable law. N.H. Rev. Stat. Ann. §§ 7:19-b, II(a); 28-f.

47. The causes of action here derive from a common set of operative facts that raise substantially identical factual issues and allege an unlawful acquisition independently and collectively.

48. The Transaction, if consummated without appropriate relief, may substantially lessen competition or tend to create a monopoly for inpatient GAC hospital services sold to commercial insurers, their members, and other health care purchasers in Sullivan County, and constitutes an unfair method of competition.

49. Accordingly, awarding the relief requested by Plaintiffs will protect competition, thereby protecting New Hampshire consumers from escalating health care costs, diminished quality, and reduced access to health care services.

RELIEF REQUESTED

In order to remedy the alleged harm and violations of law in this Complaint, Plaintiffs respectfully request that:

a. The Court enter Final Judgment under the terms set forth in the proposed Final

Judgment filed contemporaneously with this Complaint, without the need for a full evidentiary hearing, or to permanently enjoin and restrain Respondents from entering into the Transaction as contemplated in the Integration Agreement as amended;

b. Award Plaintiff State of New Hampshire the costs of its investigation as set forth in the Final Judgment, pursuant to relevant statutes and the terms thereof; and

c. Award Plaintiffs any other relief that this Court deems just and proper.

Signatures on next page.

Dated this 1st day of April, 2024.

Respectfully submitted,
STATE OF NEW HAMPSHIRE

By its attorney,

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EXHIBIT A

REPORT OF THE ATTORNEY GENERAL,
DIRECTOR OF CHARITABLE TRUSTS

ON THE

PROPOSED INTEGRATION AGREEMENT BETWEEN
VALLEY REGIONAL HEALTHCARE, INC. AND
VALLEY REGIONAL HOSPITAL, INC.
AND
DARTMOUTH-HITCHCOCK HEALTH

April 1, 2024

I. Introduction

On December 16, 2022, pursuant to RSA 7:19-b, Valley Regional Healthcare, Inc. ("VRHC") and Valley Regional Hospital, Inc. ("VRH") submitted to the Charitable Trusts Unit of the New Hampshire Department of Justice ("CTU") notice of a proposed change of control transaction involving Dartmouth-Hitchcock Health ("DHH").[1] Under the terms of the Integration Agreement entered into between the parties and its subsequent amendments ("Agreement"), DHH will become the sole member of VRHC and will retain certain reserved powers over VRH and VRHC. This report describes the proposed transaction and the CTU's review and conclusions.

A. The Entities Involved

1. Valley Regional Healthcare, Inc.

VRHC was established as a New Hampshire nonprofit corporation in 1986. Its purposes as articulated in its amended articles of agreement are as follows:

(a) To support and benefit Valley Regional Hospital, Inc. or to perform some of the charitable functions of Valley Regional Hospital, Inc., including the actual operation and management of a hospital or hospitals, directly or indirectly, for the care of persons suffering from illnesses or disabilities, and to otherwise carry out the purposes of Valley Regional Hospital, Inc.
(b) To be the incorporator and owner of Valley Regional Hospital, Inc. and to elect and appoint the Board of Directors of Valley Regional Hospital, Inc.

[1] The Notice and exhibits are posted to the New Hampshire Department of Justice website.

See Affidavit of Amendment of Valley Regional Healthcare, Inc. (7/11/2016).[2]

2. Valley Regional Hospital, Inc.

VRH is a critical access hospital in Claremont, New Hampshire, formed by the Ladies Union Aid Society in 1893. Its purpose, as articulated in the amended and restated Articles of Association, is to, among other things, "establish and maintain a hospital for the care of persons suffering from illnesses or disabilities which require that the patients receive in- or out-patient hospital care." *See* Amended and Restated Articles of Association of VRH, as amended (3/28/2005).[3] VRH currently has 25 licensed beds (21 staffed beds) and 346 employees. VRH offers the following health care services: cardiology, pulmonology, oncology/hematology, general surgery, orthopedics, obstetrics/gynecology, rehabilitation services, occupational health, urgent care, and emergency care.

For a critical access hospital, VRH's emergency department experiences a high volume of patients with approximately 28 patient visits per day. This number does not include the patients who visit the onsite urgent care clinic that is open daily. Since VRH's labor and delivery unit closed in 2012, VRH's emergency department has helped to deliver approximately 4 babies per year.

VRH also has a very busy rehabilitation unit and, because of lack of space, has had to convert offices to therapy rooms. VRH has established one emergency psychiatric bed. VRH's surgical suite is modern but under-utilized. 95% of surgeries that take place at VRH are day surgeries, and only one of its three operating rooms is in use most days.

VRH underwent a major construction project in 2009. Among other changes, VRH relocated and updated the emergency department and created a new lobby area with private registration rooms. On the day of the CTU's visit to VRH in April 2023, VRH was preparing to begin a construction project to update its laboratory and radiology departments and its central sterile room. The cost of the project was projected to be approximately $5 million.

The VRH board has long recognized that its medical office space is inefficient and dated. The examination rooms are small and inadequate, and there are an insufficient number of offices for physicians. The hallways in one of the buildings that house examination rooms is so narrow that it would be difficult for a wheelchair to maneuver. Based on an interview conducted by the

[2] The Affidavit of Amendment of VRHC can be found on the NH Secretary of State's website.

[3] The Amended and Restated Articles of Association can be found on the NH Secretary of State's website.

CTU, in a 2019 presentation to the board, VRH's outside consultant referred to the medical office space as a "morale killer."[4]

The VRH board has developed plans for a new medical office building that would include examination rooms, office space, and additional space for physical therapy, occupational therapy, and other rehabilitation services. The building would be constructed across the street from the hospital at a cost of approximately $20 million. The VRH board has been able to set aside $14 million of unrestricted funds for the project.

VRH and DHH have had a long-standing clinical and contractual relationship. For example, DHH providers offer cardiology, oncology, pathology, and radiology services at VRH. In addition, DHH and VRH currently are parties to a management services agreement under which DHH provides to VRH a chief executive officer ("CEO") and chief medical officer ("CMO"). VRH is a member of DHH's New England Alliance for Health, LLC ("NEAH").[5]

VRH and Mt. Ascutney Hospital and Health Center in Windsor, Vermont ("MAHHC"), a DHH critical access hospital, share certain medical equipment and clinical and managerial staff.[6] An MRI truck spends some weekdays at VRH and others at MAHHC. Since 2021, the Director of Rehabilitation Services and the Lab Director for MAHHC serve in the same capacity at VRH.

3. Dartmouth-Hitchcock Health

DHH is the supporting organization for members of the Dartmouth-Hitchcock Health System.[7] The DHH System includes:

- New Hampshire's only academic medical center, Dartmouth-Hitchcock Medical Center;
- Mary Hitchcock Memorial Hospital ("MHMH") in Lebanon, New Hampshire with 396 beds;
- MAHHC in Windsor, Vermont with 25 beds;
- Alice Peck Day Memorial Hospital in Lebanon with 23 beds;
- New London Hospital in New London, New Hampshire with 25 beds);

[4] Wellesley Partners Presentation to the Board (2019) VRH 0000146.

[5] NEAH is a regional group of hospitals, behavioral health centers, and home health agencies established in 2008 to "provide services to enhance the quality and efficiency of health care and the promotion of collaboration, coordination of care, and population-based resources planning on a regional basis." NEAH's Certificate of Formation may be found on the NH Secretary of State's website.

[6] The driving distance between MAAHC and VRH is approximately 10 miles.

[7] On April 12, 2022, DHH announced a new name: Dartmouth Health. However, the name change is not yet reflected on the NH Secretary of State's website.

- Cheshire Medical Center in Keene, New Hampshire with 98 beds;
- Southwestern Vermont Medical Center in Bennington, VT with 99 beds;
- A visiting nurse and hospice association for Vermont and New Hampshire; and
- Medical clinics and practices throughout New Hampshire and Vermont.

DHH is New Hampshire's largest employer, with 13,000 employees, including over 2,000 clinical providers. DHH also is the largest provider of telehealth services in Northern New England.

DHH's Department of Psychiatry provides professional services at New Hampshire Hospital under a contract with the State of New Hampshire. MHMH hosts approximately 21 voluntary inpatient psychiatric beds. Neither MHMH nor any other DHH subsidiary offer beds for involuntary mental health patients.

B. Overview of the Terms of the Proposed Transaction

1. Authority of DHH as Sole Member of VRH

Under the terms of the Agreement, DHH will replace VRHC as the sole corporate member of VRH and will have substantial authority over the governance of VRH. For example, DHH will have final approval authority over the following:

- Nominees to the VRH board and the size of the VRH board;
- Operating and capital budgets;
- Strategic initiatives and plans;
- The incurrence of any unbudgeted indebtedness or other borrowings that exceed $500,000;
- Any unbudgeted proposal to sell, convey, lease, or grant a mortgage on assets in excess of $500,000;
- The decision to eliminate or add any health care services or programs, change any licenses, or otherwise change the "operating character" of VRH, "but only to the extent that such actions could have a material adverse impact on the finances of, or the delivery of care by, the Corporation or the [DHH] System;"[8]
- Closure, liquidation, dissolution of VRH or a change to the operating character or designation of VRH as a critical access hospital;
- Amendment of VRH's articles of agreement and bylaws;

[8] Draft bylaws, p. 4.

- VRH's exercise of its reserved powers over its affiliates; and
- Merger or change of control or acquisition.

In addition, DHH will have authority to initiate the following, among other, actions:

- Remove VRH trustees;
- Hire, evaluate, compensate, and terminate the president and CEO of VRH; and
- Initiate a change in the clinical services provided by VRH if necessary to implement the DHH strategic plan and DHH system-wide objectives or improve the financial position of VRH. In making such a decision, DHH must evaluate the impact of the proposed change on, among other things, the ability of VRH to meet the health needs of the communities in its service area, the availability to VRH to qualify as a critical access hospital, the quality and efficiency with which VRH can deliver health services, and VRH's charitable purpose. DHH will give VRH the opportunity to address the proposed change and provide additional information, and DHH will give good faith consideration to VRH's input.

2. VRH Board

The VRH board will direct the business and affairs of VRH, subject to DHH's reserved powers. The VRH board will consist of between 13 and 24 elected trustees, almost all of whom also serve as trustees of MAHHC. VRH's CEO (who is also MAHHC's CEO) and VRH's Medical Staff President will serve on the VRH board *ex officio* with voting rights. VRH and MAHHC each will nominate up to 7 trustees to both boards, subject to approval by DHH. In addition, DHH will appoint up to 1/3 of the VRH board, and the DHH CEO will be included in calculation of the 1/3 of appointees.

3. VRH Management

VRH and MAHHC will be jointly managed by a unified senior management team comprised of a CEO, a CMO, and a chief financial officer ("CFO"). With respect to VRH matters, the CEO will report jointly to the DHH CEO and the VRH board. VRH's other senior executives will report jointly to the CEO and DHH "Shared Services Leaders." VRH's senior executives will be invited and expected to attend DHH system senior executive meetings.

4. Integration into DHH System and Assessments by DHH

VRH will develop a strategic plan compatible with the DHH's strategic plan and, except with respect to implementation of information technology,

VRH will be expected to fund its implementation. VRH's financial management will be conducted in accordance with DHH's financial principles. Certain administrative functions of VRH may be consolidated with those of the DHH system or system members. VRH will be primarily responsible for preparing (in collaboration with DHH) a community services plan to serve as a guide for the development and expansion of services in VRH's service area. Clinical and other programmatic initiatives and development at VRH are subject to DHH approval. VRH will participate in DHH system-wide programs and initiatives, including group purchasing, IT system integration, quality improvement measures, and shared corporate services. DHH can assess a fee or other reasonable charge for such programs or initiatives.

After DHH develops a long-term strategic plan for achieving DHH system goals, VRH will develop a strategic plan consistent with the DHH system plan. VRH will fund its strategic plan implementation from its own operations and investment earnings. VRH will also participate in DHH system strategies, delivery networks, products, and other initiatives consistent with the DHH system strategic plan.

In any budget, DHH will have the authority to propose an allocation of VRH's operating margin for use within the DHH system. The proposal will be subject to approval by both the VRH board and DHH.

DHH will also have the authority to propose in each budget an assessment to cover VRH's share of the operating expenses of DHH and "reasonable contingency amounts for its activities."

5. Electronic Medical Records Integration

VRH and DHH will develop a plan for implementation of the EPIC electronic medical records system at VRH. Under the Agreement, DHH will pay 75% of the capital costs of the EPIC conversion, and VRH will pay 25% of the capital costs and 100% of the costs for local hardware and other connectivity expenses. DHH will charge VRH a fee for management and support of the EPIC platform.

6. VRH's Capital Projects

DHH did not make any capital project funding commitments under the Agreement. The sources of funding for capital projects at VRH will be through financing, operating revenues, and philanthropy. All capital projects at VRH, including the medical office building project, must be approved by both the VRH board and the DHH board.

7. VRH's Philanthropic Funds

VRH will have exclusive control of all donor-restricted gifts pledged, accumulated, or distributed to VRH. Unrestricted gifts made to VRH will be used for the benefit of the "Service Area," defined in the Agreement as Sullivan County, New Hampshire and Windsor County, Vermont. VRH will be expected to participate in DHH system fundraising, the proceeds of which will become DHH system assets.

8. DHH's Commitment to Fulfill VRH's Charitable Objects

Included with the Notice was DHH's statement regarding the manner in which it proposes to fulfill VRH's charitable objects. *See* Notice, Exhibit 9. Among the representations included in the document were a recognition that the development of a new medical office building at VRH is a key strategic priority to ensure the efficient and effective delivery of health care services at VRH. The document also includes a commitment to integrate VRH into the DHH system to "best address the needs of the residents of the communities throughout the service area." *Id*.

II. Review by the Charitable Trusts Unit

A. Overview

Under state law, RSA 7:19-b, the Director of Charitable Trusts of the Attorney General's Office is charged with reviewing acquisition transactions involving healthcare charitable trusts and determining compliance with the statute's provisions. In making this determination, the Director is required to accept public comment and may conduct public hearings. RSA 7:19-b, IV. RSA 7:19-b, IV requires that the Director of Charitable Trusts make his or her determination within a reasonable time not to exceed 180 days after receipt of a notice of a proposed acquisition transaction. In this case, the parties entered into eight tolling agreements to extend the deadline for a report to April 1, 2024.

After receiving the Notice on December 16, 2022, the CTU posted on the Department of Justice website information pertaining to the Notice, including non-confidential documents submitted to the CTU. The Director of Charitable Trusts contacted the Commissioners of Health and Human Services and of Insurance to alert them to the Notice and to request their input on the transaction in accordance with RSA 7:19-b, IV(b). Both the Insurance Commissioner and the Commissioner of Health and Human Services provided the CTU with helpful input.

The CTU retained Katharine London, Principal, ForHealth Consulting at UMass Chan Medical School, to conduct an analysis of the proposed

transaction, particularly with respect to its potential impact on VRH and the community it serves. Ms. London's report is attached as Attachment 1.

By letter dated January 19, 2023, in accordance with RSA 7:19-b, IV (a), the CTU required that VRH submit additional information and documentation to the CTU. On March 3, 2023, and April 13, 2023, counsel for VRH provided the requested information. All the correspondence, documents, and other information submitted by VRH and DHH pertaining to the proposed transaction collectively are considered to be the "Notice."[9]

On April 26, 2023, representatives of the CTU and the Department of Justice Consumer Protection and Antitrust Bureau ("CPAB") toured the VRH facilities and met with some members of VRH management and clinical staff and legal counsel to VRH. Thereafter, CTU representatives met with the VRH board of trustees and VRH's legal counsel.

On May 18, 2023, the CTU held a public hearing regarding the proposed transaction at Claremont Savings Bank Community Center in Claremont. The CTU offered remote access to the hearing through Zoom videoconferencing. Over 58 people attended the public hearing in person, and 26 people attended remotely.

Scott Spradling of the Spradling Group served as moderator of the public hearing. The public hearing began with presentations by representatives of VRH, DHH, and MAHHC. Ms. London then presented her findings regarding the proposed transaction.[10] The presentations were followed by a one-hour comment and question period, during which people made comments or asked questions in person or through the Zoom chat feature.

The CTU issued a news release and posted on its website a notice inviting public comment on the proposed transaction. In addition to comments received at the public hearing on May 18, 2023, the CTU received written comments from the public. The CTU also sought and obtained input from other stakeholders in the local community and in the healthcare sector.

Following the public hearing, the CTU and other representatives of the New Hampshire Attorney General's office, including representatives of CPAB, engaged in discussions with the parties regarding the terms and conditions of the proposed transaction. The parties have since agreed to enter into a Final

[9] The CTU posted to its website the correspondence and documentation submitted to the CTU by the parties, with the exception of certain documents not subject to disclosure under the New Hampshire Right to Know law, RSA Chapter 91-A.

[10] Among Ms. London's conclusions were that the transaction potentially could result in the improvement of the quality of care at VRH, a greater ability to recruit providers, and greater access for consumers to the full array of services at DHH, but that it might also create difficulty in accessing healthcare services outside the DHH system.

Judgment setting forth certain commitments by VRH and DHH. See Attachment 2. Subject to the representations made by the parties to the CTU and compliance with the Final Judgment, the Director of Charitable Trusts has concluded that the transaction complies with the criteria set forth in RSA 7:19-b and that the CTU will take no action to oppose the proposed transaction.

B. Application of the Review Standards under RSA 7:19-b

The proposed transaction constitutes a change of control under RSA 7:19-b, I (a) because under the terms of the Agreement, DHH will have the authority to elect a majority or more of the membership of the governing body of VRH. *See* RSA 7:19-b, I (c). RSA 7:19-b, II requires that the governing body of a health care charitable trust ensure that such a transaction comply with seven minimum standards. The role of the CTU is to review the proposed transaction to determine compliance with the seven minimum standards and notify the parties whether the CTU will object or take no further action with respect to the transaction. RSA 7:19-b, IV.

The following is the CTU's analysis and conclusions with respect to each of the standards set forth in RSA 7:19-b, II.

1. RSA 7:19-b, II (a): Permitted by Law

RSA 7:19-b, II (a) provides:

> The proposed transaction is permitted by applicable law, including, but not limited to, RSA 7:19–32, RSA 292, and other applicable statutes and common law; […]

As part of its public protection function, the CPAB of the New Hampshire Attorney General's office conducted a nonpublic review of the proposed transaction to examine the impact on competition for health care services in the region. *See* RSA Chapters 356 and 358-A, and related federal law. The CPAB's review included an analysis of existing overlap between the parties' service lines and facilities, existing and increase of market share and market power implicated by the proposed combination, existing market concentration in the surrounding market, and potential efficiencies to be gained. VRH and DHH have agreed to terms to ameliorate the CPAB's concerns, which have been incorporated into the Final Judgment. Provided that the parties comply with the terms of the Final Judgment, the CTU does not have a basis to conclude that the proposed transaction will give rise to a violation of consumer protection and antitrust laws.

The CTU found no evidence that the transaction otherwise would be prohibited by applicable law. Moreover, because the proposed transaction does not involve a change in the charitable purpose or a change in the administration of charitable assets, the CTU takes the position that court

approval of the transaction through a petition for *cy pres* or similar relief is not required.

2. RSA 7:19-b, II (b) Due Diligence in Structuring the Reorganization

RSA 7:19-b, II (b) provides:

> Due diligence has been exercised in selecting the acquirer, in engaging and considering the advice of expert assistance, in negotiating the terms and conditions of the proposed transaction, and in determining that the transaction is in the best interest of the health care charitable trust and the community which it serves; [...]

a. Due Diligence in Selecting the Acquirer and in Engaging and Considering the Advice of Expert Assistance and in Negotiating the Terms and Conditions

As discussed in the Report of the Attorney General, Charitable Trusts Unit Regarding the Governance of LRGHealthcare,[11] hospitals are among the largest, most complex, charitable organizations in New Hampshire. Board members of hospitals therefore must devote more time and attention to making major decisions than their counterparts in less complex charities. *See* Restatement of Charitable Nonprofit Organizations, § 2.03, cmt b. As a result, before entering into a transaction that could impact the hospital's ability to carry out its charitable mission, board members not only should apply their own particular skills and expertise in reviewing the transaction, but they should also consult with outside experts to advise them on whether the transaction is in the best interests of the charitable trust in light of its purpose.

In 2019, the VRH board engaged a consultant, Wellesley Partners, to assist the board in developing a strategic plan. The outcome of that process included a goal to develop a long-term strategy with DHH. The board also engaged the law firm of Nixon Peabody to assist the board in negotiating the terms and conditions of the transaction with DHH.

According to the VRH board, VRH explored potential affiliations with three other hospitals in New Hampshire and Massachusetts, but those hospitals were not interested in pursuing an affiliation. The board members told the CTU that DHH was a natural partner for VRH for a number of reasons, including that VRH already had a long-standing clinical and managerial relationship with DHH.

The minutes of board and executive committee meetings reflect that the board and its executive committee spent significant time discussing a potential

[11] *See* Report of the Attorney General, Charitable Trusts Unit Regarding the Governance of LRGHealthcare (April 21, 2022).

affiliation with MAHHC and DHH. The board met a number of times with the CEO of MAHHC and a representative of DHH, and the CEO and DHH representative made presentations to the board about the benefits of an affiliation. Legal counsel for VRH also repeatedly met with the board to discuss the transaction.

During the board's meeting with CTU representatives, it was clear that certain members of the board were more knowledgeable than others about the specific provisions in the Agreement. Overall, however, the board members seemed engaged and understood how the transaction with DHH potentially would benefit VRH and its patients. The board members did not appear to appreciate the potential for members of a "mirror board" with MAHHC to face a conflict of interest when considering matters that could impact either MAHHC or VRH or both.

b. Best Interest of the Health Care Charitable Trust and the Communities it Serves

RSA 7:19-b, II (b) requires that the board of directors of a health care charitable trust exercise due diligence in determining that the transaction is in the best interests of the health care charitable trust. This requirement is consistent with the board's fiduciary duty of loyalty under common law to "act in good faith and in a manner the fiduciary reasonably believes to be in the best interests of the charity in light of its purposes."[12] It is important to note that unlike the trustees of for-profit corporations, the "duty of loyalty of charitable fiduciaries is to the charity's *purposes* and thus by extension to the indefinite beneficiaries of those purposes."[13]

RSA 7:19-b requires that the board consider how the transaction would address community needs, "including the community's or communities' need for access to quality and affordable physical and mental health care services." RSA 7:19-b, II (e). Community needs may be identified in the community health needs assessments developed pursuant to RSA 7:32-f. Moreover, the concept of community needs likely includes consideration of the three outcomes that are evaluated with respect to any health care system: cost, quality, and access.[14]

Only one VRH board member voted against the transaction with DHH, and during the board meeting with CTU, she said that she opposed the transaction out of concern that it would result in a loss of services at VRH. The

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[12] Restatement of Charitable Nonprofit Organizations, § 2.02(a); *see also* Opinion of the Attorney General, Fiduciary Duty of Corporate Members of Charitable Organizations, at 3 (Feb. 13, 2017).

[13] *Id.* (emphasis supplied).

[14] *See* Community Benefit and Market Changes in New Hampshire, New Hampshire Center for Public Policy Studies (2017).

other board members indicated that VRH's experience with DHH and the experiences of MAHHC and Alice Peck Day Hospital demonstrated that when they affiliated with DHH, the services were strengthened, allowing local patients to be treated closer to home. Those board members recognized that transportation to Lebanon is difficult for many, and they said that the goal of the transaction is to bring more services into the local community.

The proposed Service Line Plan for MAHHC/VRH developed by the parties reflects that VRH will experience an increase in staffed beds from 21 to 25 and expansion of the following service lines: general surgery, oncology, behavioral health, hematology, substance use disorder treatment, orthopedics, inpatient medicine, primary care, and eye care. The plan also suggests that urology will be consolidated at MAHCC and that MAHCC will experience growth of certain service lines. The plan does not suggest that any services currently offered by VRH will be consolidated at MHMH in Lebanon.

The proposed Service Line Plan reflects no change to "Women's Health" at VRH or MAHHC. Although VRH was founded by women, it closed its labor and delivery unit in 2012. In 2022, Planned Parenthood also permanently closed its health center in Claremont. A gynecologist visits Claremont only 2–3 times per week. As a result, many women have to take time off to travel to Lebanon for pre-natal, post-natal, and other gynecological care, and there is no public transportation available.

The recruitment and retention of healthcare providers is a significant challenge for VRH. The board members, including the medical staff president, believe that the proposed transaction will aid in recruiting and retaining providers because of DHH's national reputation as a respected teaching hospital.

Although the CTU believes that the VRH exercised their best efforts to negotiate an agreement that was in the best interests of VRH and the communities it serves, additional safeguards are required to ensure that the commitments made by DHH are enforceable and that the transaction addresses the top community health needs and the need for access to quality care at a reasonable cost. Compliance with the requirement of RSA 7:19-b, II (b) therefore is met only subject to the commitments set forth in the Final Judgment.

3. RSA 7:19-b, II (c) Conflicts of Interest

RSA 7:19-b, II (c) provides:

> Any conflict of interest, or any pecuniary benefit transaction as defined in this chapter, has been disclosed and has not affected the decision to engage in the transaction; […]

Pecuniary benefit transactions are financial conflict-of-interest transactions involving a charitable organization's directors, their family members, their employers, or their businesses. RSA 7:19-a. Pecuniary benefit transactions are not prohibited under New Hampshire law, provided that they are in the best interest of the charity and certain conditions are met. These conditions include the exclusion of the interested board member from deliberations and votes and the disclosure of the transaction to the Director of Charitable Trusts. RSA 7:19-a, II.

In the Notice, VRH certified that there were no disclosed or known conflicts of interest or pecuniary benefit transactions involved in the proposed transaction with DHH. The CTU has not identified any conflict of interest or pecuniary benefit transaction with respect to the proposed transaction.

4. RSA 7:19-b, II (d) Fair Value of Transaction

RSA 7:19-b, II (d) provides:

> The proceeds to be received on account of the transaction constitute fair value therefor; […]

The proposed transaction between VRH and DHH does not involve a sale, and RSA 7:19-b, II (d) therefore is inapplicable to the proposed transaction.

5. RSA 7:19-b, II (e) Use of Charitable Assets

RSA 7:19-b, II (e) provides:

> The assets of the health care charitable trust and any proceeds to be received on account of the transaction shall continue to be devoted to charitable purposes consistent with the charitable objects of the health care charitable trust and the needs of the community which it serves; […]

Under the terms of the Agreement, VRH will retain exclusive control of all donor-restricted gifts pledged, accumulated, or distributed to VRH. However, VRH's unrestricted gifts may be used for the benefit of the "Service Area" which, under the terms of the Agreement, will be expanded to include all of Windsor County, Vermont.[15] The ability of VRH to conduct fundraising in the future (especially for its capital projects) may also be impacted by the obligation under the terms of Agreement to conduct fundraising for the DHH system.

[15] According to the Community Benefits Report submitted to the CTU on April 18, 2023, VRH's current service area is Sullivan County, New Hampshire, and several bordering towns in Vermont, including Windsor, Weathersfield, and Springfield (but not all of Windsor County, Vermont).

Additional commitments are required to ensure that the charitable assets of VRH are devoted to VRH's charitable purpose in New Hampshire and to ensure that DHH exercises its fiduciary responsibilities over EHR. *See Opinion of the Attorney General*, Fiduciary Duty of Corporate Members of Charitable Organizations, at 3 (Feb. 13, 2017). Compliance with the requirement of RSA 7:19-b, II (e) therefore is met only subject to the commitments set forth in the Final Judgment.

6. RSA 7:19-b, II (f) Control of the Proceeds

RSA 7:19-b, II (f) provides:

> If the acquirer is other than another New Hampshire health care charitable trust, control of the proceeds shall be independent of the acquirer; [...]

In this case, the "acquirer" is a New Hampshire health care charitable trust. 7:19-b, II (f) therefore is inapplicable to the proposed transaction between VRH and DHH.

7. RSA 7:19-b, II (g) Notice and Hearing

RSA 7:19-b, II (g) provides:

> Reasonable public notice of the proposed transaction and its terms has been provided to the community served by the health care charitable trust, along with reasonable and timely opportunity for such community, through public hearing or other similar methods, to inform the deliberations of the governing body of the health care charitable trust regarding the proposed transaction.

The purpose of the "reasonable public notice" requirement is to ensure that prior to finalizing and voting in favor of an acquisition or change of control transaction, the board considers input from the public. This requirement recognizes that the ultimate beneficiary of a health care charitable trust is the public, and that the board should consider the interests of the communities served by the health care charitable trust in its deliberations.

VRH held informational sessions for its employees and medical staff, and on September 8, 2022, VRH held a public listening session at Claremont Savings Bank in Claremont, New Hampshire and virtually via Zoom.[16] Patricia

[16] Although the purpose of holding a listening session is to elicit public comments to inform the deliberations of the board, RSA 7:19-b, III(g), the parties advertised the session as an opportunity for the public to hear from the parties about "how Valley Regional Hospital and Dartmouth Hitchcock Health are coming together to serve you better." A video of the public listening session is available on the VRH website.

Putnam, Chair of the VRH board, and Dr. Jocelyn Caple, MD, VRH's Interim President, CEO, and CMO, presented at the public listening session on behalf of VRH. Dr. Joanne Conroy, MD, President and CEO of DHH, and Dr. Joseph Perras, MD, President, CEO, and CMO of MAHHC, presented at the public listening session as well. It is not clear how many board members attended the listening session, but few attendees asked any questions or made any comments. No changes were made to the Integration Agreement as a result of the public listening session.

III. Conclusions and Determination.

After reviewing the evidence, the Director of Charitable Trusts finds that the VRH board substantially complied with the minimum standards set forth in RSA 7:19-b, II. However, the decision of the Director of Charitable Trusts to take **no further action** with respect to the proposed transaction is subject to the following representations and conditions:

1. VRH and DHH shall comply with the terms of the Final Judgment into which the parties have entered with the New Hampshire Attorney General's office. The provisions of the Final Judgment are hereby incorporated into this report. *See* Attachment 2.
2. VRH and DHH represent that the statements made and documents provided in the Notice are true and correct. They further represent that the transaction will be implemented in accordance with the Notice and the Final Judgment.

ATTACHMENT 1

forHealth™ CONSULTING at UMass Chan Medical School

Proposed Transaction:
Consumer Fact Sheet

Valley Regional Hospital Public Hearing

On December 14, 2022, Valley Regional Hospital (VRH) filed a notice of a proposed transaction by and among Valley Regional Healthcare, Inc. (VRHC), Valley Regional Hospital, Inc., and Dartmouth-Hitchcock Health (D-HH). The parties propose that D-HH become the sole corporate member* of VRH.

Potential Benefits[1]

D-HH and VRH say the transaction would benefit the community by:

- Improving VRH's long-term financial stability
- Consolidating and streamlining administrative functions, such as combining leadership roles, establishing a uniform electronic medical records system, combining human resources/staffing functions, and lowering costs through bulk purchasing arrangements
- Expanding and improving healthcare options at VRH, such as behavioral health and substance use disorder treatment, hematology and oncology, general surgery, orthopedics, inpatient and primary care, and eye care
- Improving retirement and other benefits for VRH employees through integration into the D-HH system

Potential Concerns

Stakeholders noted some concerns about the proposed transaction, including the possibility of:

- The difficulty finding a provider outside of the D-HH system
- Healthcare service lines consolidated at only one service location, requiring patients to travel further for care
- The loss of local decision-making and responsiveness to community needs at VRH
- Virtually identical Boards of Trustees at VRH and Mount Ascutney Hospital and Health Center (MAHHC) leading to further integration and less local control of VRH and MAHHC in the future

*A "corporate member" is an entity that has a controlling or voting interest in a corporation.

Comments regarding the proposed transaction may be sent to the Director of Charitable Trusts, Department of Justice, 33 Capitol St., Concord, NH 03301 or by email to charitabletrustsunit@doj.nh.gov.

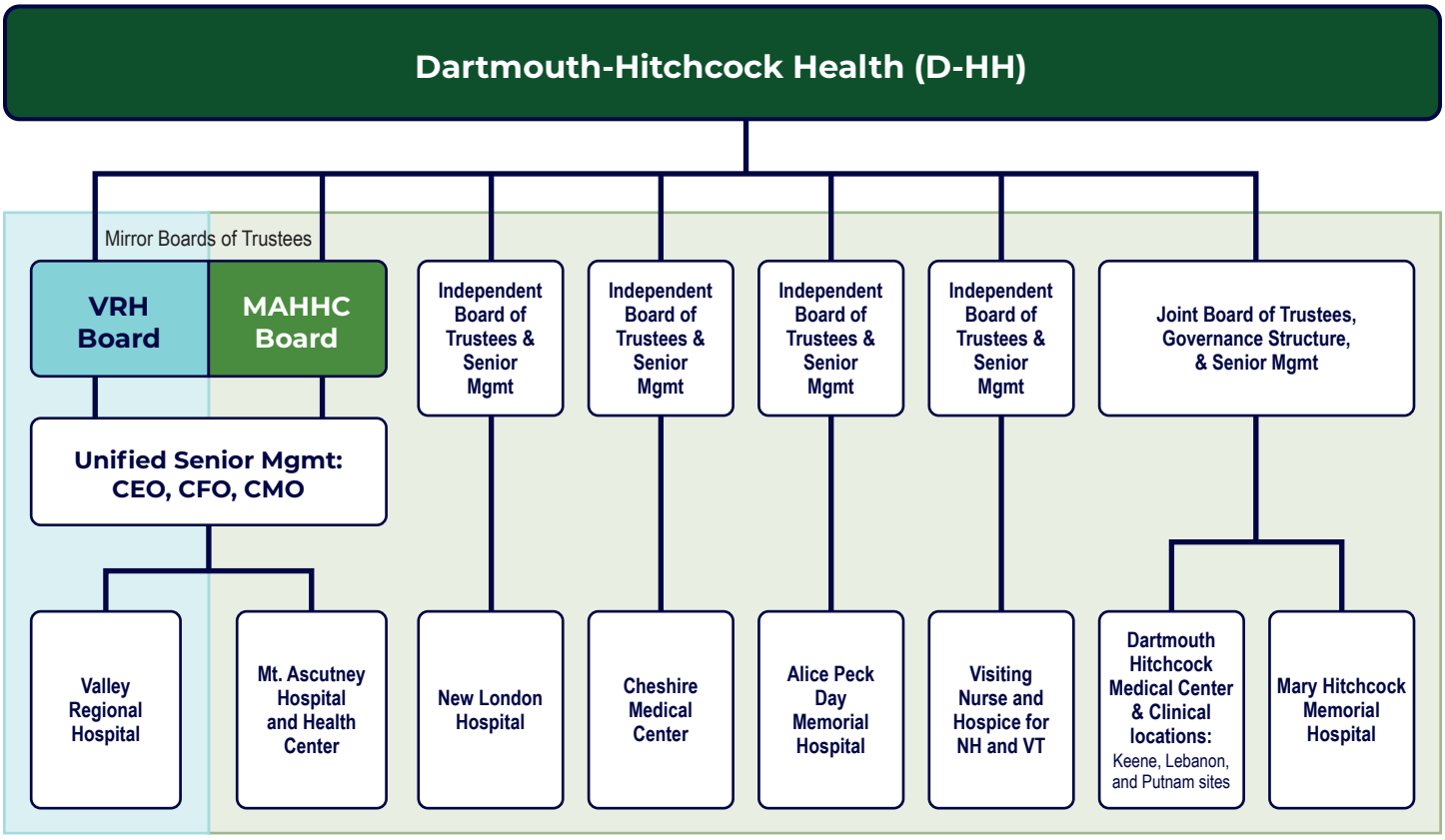
More information about the proposed transaction is available at:
https://www.doj.nh.gov/charitable-trusts/valley-regional-dartmouth-health.htm

Proposed Transaction: Corporate Governance and Boards[2]

D-HH will become the sole corporate member of Valley Regional Hospital (VRH).

- Both VRH and MAHHC will be managed by a unified senior management team comprised of a single chief executive officer (CEO), chief medical officer (CMO), and chief financial officer (CFO)
- VRH and MAHHC will be governed by virtually identical "mirror" Boards of Trustees
- VRH's board and MAHHC's board will be comprised of:

  - Seven trustees nominated by VRH and approved by the D-HH Board
  - Seven trustees nominated by MAHHC and approved by the D-HH Board
  - The single CEO of VRH & MAHHC
  - The CEO of D-HH (or designee) and additional trustees appointed by D-HH, comprising up to one-third (1/3) of the total Board members
  - Medical Staff President of VRH or MAHHC (this role is the only difference between the two boards)



Focus on Key System Members: Hospitals at a Glance[3]

Alice Peck Day Memorial Hospital (APDMH), New London Hospital (NLH), and MAHHC are all members of D-HH; VRH is not. These four critical access hospitals are of similar size*.

		Dartmouth-Hitchcock Health		
	Valley Regional Hospital (FY 2020)	**Mt. Ascutney Hospital** (FY 2020)	**Alice Peck Day Memorial Hospital** (FY2020)	**New London Hospital** (FY2020)
Total Number of Staffed Beds	21	35	24	25
Bed Occupancy Rate**	40.8%	73.8%	52.3%	56.2%
Total Charity Care*** (millions)	1.5	.3	.4	1.6
Total Charity Care (% of Total Revenue)	.030%	.005%	.005%	.020%
Total Community Benefits (millions)****	5.2	N/A	5.1	6.1
Total Expenses (millions)	46.7	55.8	77.2	72.6
Total Net Patient Service Revenue (millions)	41.8	45.0	78.7	61.9
Total Revenue (millions)	**49.6**	**62.0**	**86.8**	**72.2**

* Comparison of hospitals only. Does not include physician practices.

** Bed occupancy rate is computed by dividing patient days by the number of total bed days available, both available within the S-3 Filing of the CMS 2552 Cost Report of each hospital.

*** Includes charity care costs related to both insured and uninsured patients.

**** Includes community health services, health professions education, subsidized health services, research, financial contributions, community-building activities, community benefit operations, and charity care.

Hospital Payment Levels[4]

This table compares the average payment each hospital receives from the three largest private health plans to the state median payment for the same sets of services.

MAHHC is located in Vermont and therefore does not report payment amounts to New Hampshire.

Higher	Health plan pays hospital a rate more than ***10% higher*** than the state median
Similar	Health plan pays hospital a rate ***similar to*** the state median
Lower	Health plan pays hospital a rate more than ***10% lower*** than the state median
N/A	Insufficient sample size (fewer than 50 events in the calendar year)

Private Insurance Payments			Dartmouth-Hitchcock Health	
		Valley Regional Hospital	Alice Peck Day Memorial Hospital	New London Hospital
Emergency Visits	Anthem NH	Higher	Higher	Similar
	CIGNA	Lower	Lower	Lower
	Harvard Pilgrim HC	Similar	Lower	Lower
Office Visits	Anthem NH	Lower	Similar	Lower
	CIGNA	Lower	Similar	Lower
	Harvard Pilgrim HC	Lower	Lower	Lower
Outpatient Tests and Procedures*	Anthem NH	N/A	Higher	N/A
	CIGNA	N/A	N/A	N/A
	Harvard Pilgrim HC	N/A	N/A	N/A
Radiology Services	Anthem NH	Higher	Higher	Higher
	CIGNA	Higher	Higher	Higher
	Harvard Pilgrim HC	Higher	Higher	Higher

This table compares the discounted rate that each hospital charges uninsured patients to the state median rate for the same sets of services. VRH gives more generous discounts to uninsured patients for emergency services than the other hospitals.

Higher	Hospital charges uninsured patient a rate more than ***10% higher*** than the state median
Similar	Hospital charges uninsured patient a rate ***similar to*** the state median
Lower	Hospital charges uninsured patient a rate more than ***10% lower*** than the state median
N/A	Insufficient sample size (fewer than 50 events in the calendar year)

Estimated Uninsured Prices**	Dartmouth-Hitchcock Health		
	Valley Regional Hospital	Alice Peck Day Memorial Hospital	New London Hospital
Emergency Visits	Lower	Similar	Lower
Office Visits	Lower	Lower	Lower
Outpatient Tests and Procedures*	N/A	Higher	N/A
Radiology Services	Higher	Higher	Higher

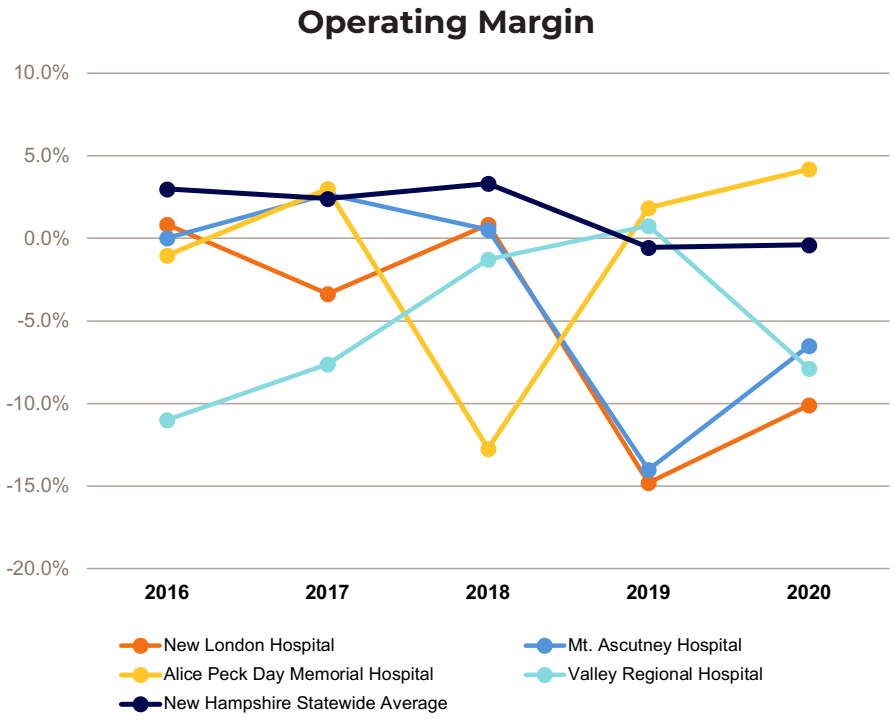
* "Outpatient Tests and Procedures" does not include radiology services or facility fees for ED and office visits.

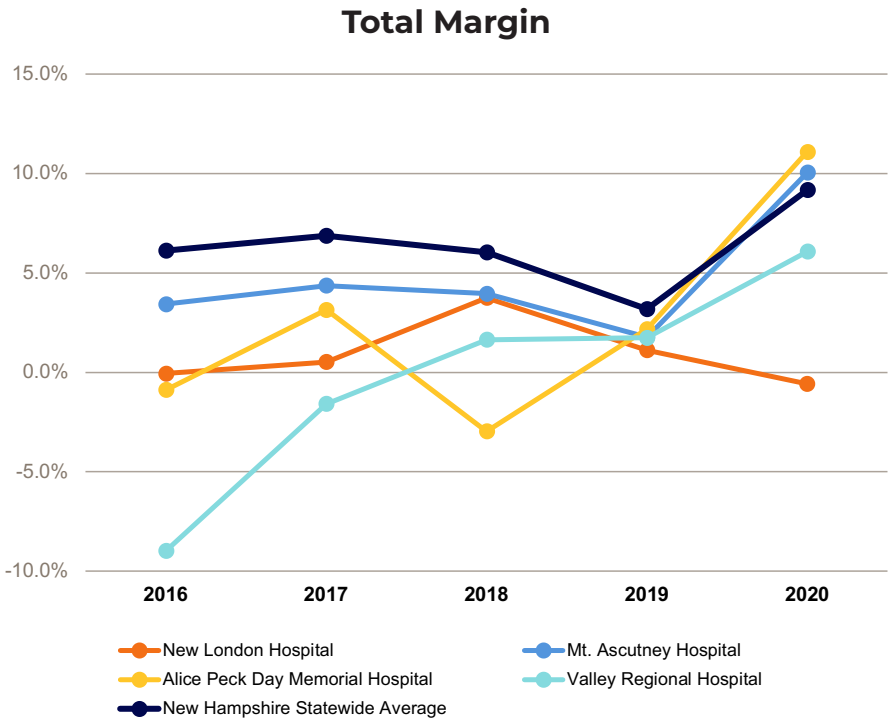
** NH HealthCost estimates the prices a hospital offered to uninsured individuals based on the prices paid by private insurers and the hospital's discount policy for uninsured patients.

Hospital Financial Analysis[5]

- VRH's operating and total margins were very low in federal filing year (FFY) 2016 and improved through FFY 2019. Its operating margin dropped in FFY 2020, while its total margin improved, suggesting that it drew on non-operating sources of revenue. VRH's operating margin was negative in every year reviewed except FFY 2019, while its total margin was positive from FFY 2018 through 2020.
- In comparison, APDMH, NLH and MAHHC's operating margins were more stable in FFY 2016 and 2017, dropped deeply in FFY 2018 or 2019 and then improved. Their total margins were generally positive during this period. APDMH and MAHHC's total margins increased in FFY 2020 in alignment with VRH's.
- The statewide average operating margin was more steady but was slightly negative in FFYs 2019 and 2020. The statewide total margin remained positive throughout this period and improved in FFY 2020.

Data included in this analysis only pertain to the hospitals, not any owned or affiliated physician practices.





Hospital Quality Snapshot – Comparison

VRH[6] and NLH[7] performed similarly on quality measures compiled by CMS Hospital Care Compare. APDMH[8] and MAHHC[9] scored significantly better than the other two hospitals; MAHHC also had the highest patient experience score of 5 stars.

		Dartmouth-Hitchcock Health		
Measure*	**Valley Regional Hospital**	**Mt. Ascutney Hospital**	**Alice Peck Day Memorial Hospital**	**New London Hospital**
Quality of Care Measures Better Than Average	**2** of 10	**8** of 10	**8** of 10	**2** of 10
Quality of Care Measures Near Average	**5** of 10	**2** of 10	**2** of 10	**5** of 10
Quality of Care Measures Worse Than Average	**3** of 10	**0** of 10	**0** of 10	**3** of 10
Overall Rating** *(out of 5 stars)*	★★★★	★★★★	N/A	★★★★
Patient Experience Summary Star Rating*** *(out of 5 stars)*	N/A	★★★★★	★★★★	★★★★
Rate of readmission after discharge from hospital******	**14%**	**16%**	**15%**	**14%**

* Measures highlighted in shades of green are scores higher than the state or national average, shades of yellow are scores at or near the state or national average, and shades of red are scores lower than the state or national average.

** This measure summarizes more than 100 measures of mortality, safety of care, readmission, patient experience, effectiveness of care, timeliness of care, and efficient use of medical imaging.

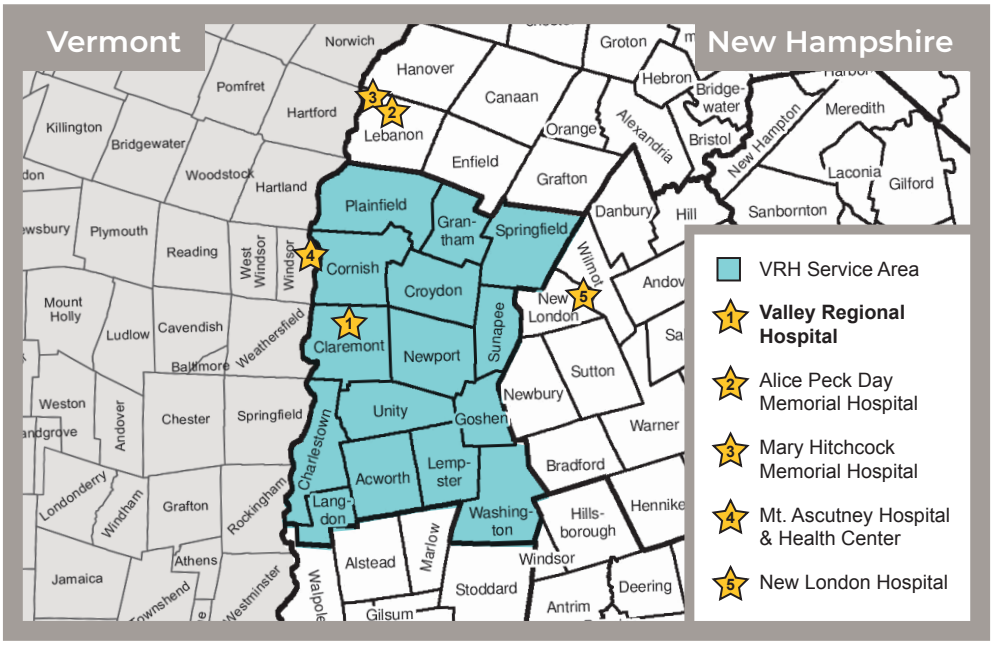
*** This measure summarizes how patients recently discharged from the hospital responded to a survey about their hospital experience. The survey asked questions like how well a hospital's doctors and nurses communicated with the patient.

**** Share of patients readmitted to the hospital within 30 days of discharge.

Communities Served by Valley Regional Hospital[10]

The communities shaded in **teal** are the ones VRH identifies as its primary service area.*

* This map shows the communities reported by the hospital as its primary service area; it does not reflect an anti-trust analysis.



Community Health Profile[11]

Sullivan County performed similarly to the state in most health statistics. However, Sullivan County does have some health challenges, such as those highlighted below.

Measure	Sullivan County	New Hampshire
Ratio of population to dentists	**2,550:1**	**1,300:1**
Ratio of population to mental health providers	**500:1**	**290:1**

Community Health Needs Assessment Priorities[12]

In its 2021 Community Health Needs Assessment, VRH identified the following priority health needs of the community:

1. Availability of mental health services
2. Cost of healthcare services and affordability of health insurance
3. Alcohol and drug use prevention, treatment and recovery
4. Socio-economic conditions affecting health and well-being, such as housing affordability, access to healthy foods, and affordable childcare.
5. Affordability and availability of dental care services
6. Prevention of child abuse and neglect

Community Health Priorities

The VRH Community Health Needs Assessment highlights the community members' concerns regarding health priorities. The section entitled Input on Health Issues and Priorities reported responses to a survey that asked community members to select the most pressing health issues out of a list of 27 potential topics. The Needs Assessment reported these top five health concerns:

1. Ability to get mental health services (52% of responses)
2. Cost of health care services (46% of responses)
3. Cost of health insurance (43% of responses)
4. Cost of prescription drugs (37% of responses)
5. Misuse and addiction to drugs and alcohol (33%)

Citations:

[1] NH Department of Justice. Pending Hospital Transaction between Valley Regional Health and Dartmouth-Hitchcock Health, Joint Notice, Sections I and V. Available at https://www.doj.nh.gov/charitable-trusts/health-care.htm. Accessed on April 15, 2023.

[2] Information obtained from documents submitted by Valley Regional Hospital to the Director of Charitable Trusts, New Hampshire Attorney General's Office, as notice for a proposed transaction involving Dartmouth-Hitchcock Health, available at: https://www.doj.nh.gov/charitable-trusts/valley-regional-dartmouth-health.htm. Accessed on April 14, 2023.

[3] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020. Bed occupancy rate calculation is derived from CMS: https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/downloads/Accessing_Data_and_Sample_Computations.pdf. Each hospital reports data on the CMS 2552-10 Cost Report by its own federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal filing year 2020 data for Alice Peck Day Memorial Hospital and New London Hospital encompass activity from July 1, 2020, through June 30, 2021; while federal filing year 2020 data for Mt. Ascutney Hospital and Valley Regional Hospital encompass activity from October 1, 2019 through September 30, 2020.

[4] New Hampshire Comprehensive Health Care Information System (NH CHIS). NH CHIS Group Medical Plans and Uninsured Claims only, FY2020 Q2. Weighted average of median payment amounts compiled by the authors and staff of the New Hampshire Insurance Division. Authors calculated the median payment by insurer by service for each hospital and median payment by insurer by service for the state as a whole. The chart shows the average of the median payment the hospital received for each service category, weighted by the hospital's service mix, relative to the average state median payment amount for each service weighted by the hospital's service mix.

[5] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020.

[6] Medicare Hospital Compare: Valley Regional Hospital. Available at https://www.medicare.gov/care-compare/details/hospital/301308?city=Claremont&state=NH&zipcode=&measure=hospital-patient-surveys#ProviderDetailsQualityIndicatorsContainer. Accessed on April 12, 2023.

[7] Medicare Hospital Compare: New London Hospital. https://www.medicare.gov/care-compare/details/hospital/301304?city=New%20London&state=NH&zipcode=&measure=hospital-patient-surveys#ProviderDetailsQualityIndicatorsContainer. Accessed on April 12, 2023.

[8] Medicare Hospital Compare: Alice Peck Day Memorial Hospital. https://www.medicare.gov/care-compare/details/hospital/301305?city=Claremont&state=NH&zipcode=&measure=hospital-patient-surveys#ProviderDetailsQualityIndicatorsContainer. Accessed on April 12, 2023.

[9] Medicare Hospital Compare: Mt. Ascutney Hospital. https://www.medicare.gov/care-compare/details/hospital/471302?id=aa4de819-f8e5-4943-b842-a6e1b7dc4832&state=VT. Accessed on April 12, 2023.

[10] Valley Regional Healthcare, Community Needs Assessment 2021. Available at https://vrh.org/wp-content/uploads/2021/09/2021-Valley-Regional-Hospital-Community-Health-Needs-Assessment-final-1-min.pdf. Accessed on April 7, 2023.

[11] Robert Wood Johnson Foundation County Health Rankings and RoadMaps. Available at https://www.countyhealthrankings.org/explore-health-rankings/new-hampshire/sullivan. Accessed on March 10, 2023.

[12] Valley Regional Healthcare, Community Health Needs Assessment 2021.

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Alice Peck Day Memorial Hospital

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Table of Contents

Executive Summary

This report profiles Alice Peck Day Memorial Hospital (APDMH) on several dimensions as summarized and detailed below.

Overview

APDMH is a 24-bed acute care facility located in Lebanon, New Hampshire (NH). The hospital provides emergency care and clinical specialties including dermatology, emergency services, family medicine, among other services.

Community Benefits

APDMH provided $5 million in charity care and $120,295 in other community benefit services, as noted in its FY 2020 Community Benefits Report. APDMH's charity care costs for uninsured patients decreased at a significantly faster rate than the statewide rate over the five years reviewed, from federal filing year (FFY) 2016 through 2020.[1]

Financial Status

APDMH produced positive operating and total margins for FFYs 2017, 2019 and 2020; however, it experienced a serious operating loss in FFY 2018. APDMH's expenses and revenues increased during the period FFY 2016 through FFY 2020, even while its inpatient service volume (total hospital days and discharges) decreased. The authors based these findings on an analysis of CMS Hospital Cost Report (Form 2552-10) data for the hospital's FFYs 2016-2020.* CMS requires hospitals to file financial data on these reports annually in a consistent format that produces a comparable set of measures.[2]

Cost

APDMH's outpatient prices were lower than the state average for some services and higher for other services. APDMH's payments from Anthem were higher than the statewide average in three of the four service categories and similar to the state average for the fourth service. APDMH's payments from Harvard Pilgrim were lower than the state average for two service categories. The estimated prices APDMH charged to uninsured patients were lower than the state median for office visits, but higher for outpatient tests and procedures and radiology services. The authors developed this assessment from an analysis of FY2022 Q2 data submitted to the New Hampshire Comprehensive Health Care Information System (CHIS).[3]

Quality

APDMH scored well on most quality measures. On the 10 Centers for Medicare and Medicaid Services (CMS) Hospital Care Compare patient experience scores, APDMH scored better than the state and national averages on eight measures and at or near the state and national averages on two measures. APDMH received 4 out of 5 stars for overall patient experience.[4] On two other quality measures reported on NH HealthCost, APDMH scored similar to the state average on one measure and worse than average on the other.[5]

Contents of the Report

This report provides the following information about APDMH:

- Service profile, including general informational statistics, services offered, cost of charity care and community benefits, and a summary of quality
- Multi-year profile of financial and utilization comparison statistics
- Pricing comparison of the average payment APDMH receives for outpatient services it provides compared to the state median payment for the same sets of services
- Outline of performance on healthcare quality and safety measures compiled by NH HealthCost
- Patient experience survey ratings from CMS Hospital Care Compare

Alice Peck Day Memorial Hospital Service Profile

General Hospital Information	
Type of Facility	Acute Care
Total Staffed Beds[6]	24
Total Available Beds[7]	24
Bed Occupancy Rate*	52.2%
Accredited by The Joint Commission[6]	No
Annual Hospital Discharges[6]	466

Hospital Services Offered[8]

- Anesthesiology
- Cardiopulmonary
- Emergency Services
- Gastroenterology
- General Surgery
- Gynecology
- Infusion Clinic
- Inpatient Stay
- Integrative Medicine
- Laboratory
- Medical Surgical
- Neurosurgery
- Obstetrics
- Occupational Health
- Oral Surgery
- Pain and Physiatry
- Physical, Occupational, and Speech Therapies
- Plastic and Reconstructive Surgery
- Sleep Health

Charity Care and Other Community Benefits[9]

The table below offers a snapshot of the charity care and other community benefits provided to the greater Lebanon community by APDMH. All information derives from APDMH's FY 2021 Community Benefit Report.

Unreimbursed Costs 2020	Benefits Provided	Financial Benefit
	(1) Financial Assistance and Means-Tested Government Programs	$4,990,509
	(2) Other Community Benefits Costs	$120,295
	(3) Community Building Activities	$21,787
	Total Unreimbursed Community Benefit Expenses	$5,132,591

Quality Statistics Summary

The table below offers a view of APDMH's performance on quality-of-care scores from two different sources: NH HealthCost and CMS Hospital Care Compare.

Source	*Measure***	*Score*
CMS Hospital Care Compare[10]	Quality of Care Measures Better Than Average	**8 out of 10**
	Quality of Care Measures Near Average	**2 out of 10**
	Quality of Care Measures Worse Than Average	**0 out of 10**

	Overall Rating* **	**N/A (information not available)**
	Patient Survey Rating**	**4 out of 5 stars**
	Unplanned readmission rating*****	No different than national rate

**Bed occupancy rate is computed by dividing patient days by the number of total bed days available, both available within the S-3 Filing of the CMS 2552 Cost Report of each hospital.*

***Measures highlighted in shades of green are scores higher than the state or national average, shades of yellow are scores at or near the state or national average, and shades of red are scores lower than the state or national average.*

****This measure summarizes more than 100 measures of mortality, safety of care, readmission, patient experience, effectiveness of care, timeliness of care, and efficient use of medical imaging.*

*****This measure summarizes how patients recently discharged from the hospital responded to a survey about their hospital experience. The survey asked questions like how well a hospital's doctors and nurses communicated with the patient.*

******Rate of patients readmitted to the hospital within 30 days of discharge*

Alice Peck Day Memorial Hospital Financial and Utilization Statistics

The two tables below provide a multi-year financial comparison profile based on analysis of Form 2552-10 data for the hospital's FFYs 2016-2020.[11]* CMS requires hospitals to file financial data on these reports in a consistent format that produces a comparable set of measures. APDMH's inpatient service volume (total hospital days and discharges) decreased during this period, while the state average remained more stable. Even though the hospital's inpatient service volume decreased, its overall expenses and revenue increased. The hospital produced positive operating and total margins in FFYs 2017, 2019 and 2020; however, it experienced a serious operating loss in FFY 2018. While the hospital's operating and total margins exceeded the state average in FFY 2020, its average operating and total margins for the entire FFY 2016-2020 period were lower than the statewide average. Trend values highlighted in green are better than the state average; those highlighted in red are worse.

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Annual Change	Statewide '16-'20 Average Annual Change
Total Hospital Discharges [S-3 Col 15 Ln 14] **	1,161	1,005	855	684	466	-14.97%	-1.49%
Total Hospital Days [S-3 Col 8 Ln 14]	5,482	5,570	4,878	4,349	4,381	-5.02%	0.15%
Charity Care Costs (Uninsured Patients) [S-10 Col 1 Ln 23]	$238,676	$327,489	$168,596	$1,775	.	.	7.95%
Charity Care Costs (Insured Patients) [S-10 Col 2 Ln 23]	.	.	.	.	$363,629	.	11.75%
Total Unreimbursed and Uncompensated Care [S-10 Col 1 Ln 31]	$4,472,740	$3,580,402	$3,478,711	$4,438,583	$5,326,577	4.77%	9.51%
Total Operating Expenses [G-2 Col 2 Ln 43]	$62,107,890	$69,307,000	$74,229,000	$71,332,791	$77,197,000	6.07%	5.52%
Total Other Expenses [G-3 Ln 28]	$486,443	$20,000	.	.	.	.	-16.72%
Total Expenses [Total Operating Expenses + Total Other Expenses]	$62,594,333	$69,327,000	$74,229,000	$71,332,791	$77,197,000	5.83%	-11.21%
Total Inpatient Charges [C Pt 1 Col 6 Ln 202]	$30,026,678	$24,333,168	$29,573,158	$24,495,920	$24,554,729	-4.56%	5.89%
Total Outpatient Charges [C Pt 1 Col 7 Ln 202]	$52,974,346	$65,551,033	$60,578,906	$62,105,431	$91,514,051	18.19%	8.12%

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Annual Change	Statewide '16-'20 Average Annual Change
Net Patient Service Revenue [G-3 Ln 3]	$61,250,499	$69,778,000	$64,094,000	$65,496,000	$78,673,000	7.11%	2.72%
Net Income from Patient Services [G-3 Ln 5]	-$857,391	$471,000	$10,135,000	-$5,836,791	$1,476,000	-68.04%	-245.10%
Other Income: Other [G-3 Ln 24.00]	$703,871	$1,697,000	$1,748,000	$7,179,000	$1,905,000	42.66%	27.13%
Total Other Hospital Income [G-3 Ln 25]	$797,934	$1,800,000	$7,997,000	$7,428,000	$8,150,000	230.35%	43.35%
Total Hospital Net Income [G-3 Ln 29]	-$545,900	$2,251,000	-$2,138,000	$1,591,209	$9,626,000	-465.83%	21.21%
Total Revenue [Net Patient Service Revenue + Total Other Hospital Income]	$62,048,433	$71,578,000	$72,091,000	$72,924,000	$86,823,000	9.98%	5.89%

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Margin	Statewide Average '16-'20 Margin
Operating Margin***	-1.03%	3.01%	-12.74%	1.85%	4.20%	-0.94%	
Statewide Industry Average****	3.00%	2.41%	3.32%	-0.55%	-0.39%		1.56%
Total Margin*****	-0.88%	3.14%	-2.97%	2.18%	11.09%	2.51%	
Statewide Industry Average****	6.13%	6.87%	6.03%	3.18%	9.17%		6.28%

**Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems each facility is associated with. Data for FFYs 2016-2020 are derived from each hospital's CMS 2552-10 Cost Report. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for APDMH encompass activity from July 1, 2020, through June 30, 2021.*

***Notations made in brackets "[ ]" reference the 2552-10 worksheet data source.*

****Operating Margin is calculated as {Net Patient Service Revenue plus Other Income (Other) less Total Operating Expenses less Total Other Expenses} divided by {Net Patient Service Revenue plus Other Income (Other)}.*

*****The authors calculated a combined margin for all New Hampshire acute care hospitals using data reported on the CMS Hospital Form 2552-10 Cost Reports for New Hampshire acute care hospitals.*

******Total Margin is calculated as Total Hospital Net Income divided by {the sum of Net Patient Service Revenue plus Total Other Hospital Income}.*

Alice Peck Day Memorial Hospital Estimated Outpatient Visit Pricing

The following chart shows the average payment APDMH received for services it provided in FY2022 Q2, compared to the state median payment for the same sets of services. The hospital's payments from private insurers varied across service categories. APDMH received payments lower than the statewide average for emergency visits and office visits, and it received payments higher than the statewide average for outpatient tests and radiology. The payments it received from Anthem were higher than the statewide average for three of four categories. The price APDMH charged to uninsured patients was lower than the state median for office visits, but higher for emergency visits, outpatient services, and radiology services. Amounts highlighted in green are lower than the state median; amounts highlighted in red are higher than the state median. The authors developed this assessment from an analysis of FY2022 Q2 data submitted to the NH Comprehensive Health Care Information System (CHIS).[12]

Event Type	Alice Peck Day Memorial Hospital			
	State Number of Events	*APDMH Number of Events*	*Payments to APDMH (weighted median)*	*Payments to APDMH if APDMH received the statewide median payment for its services*
Emergency Visits				
Anthem – NH	9,239	135	$550.03	$332.27
CIGNA	3,381	55	$456.00	$529.67
Harvard Pilgrim HC	5,489	60	$427.25	$484.90
Other Medical Insurance	2,414	19	N/A**	$577.32
Uninsured*	20,523	269	$373.89	$367.54
Office Visits				
Anthem – NH	347,038	1,618	$163.96	$171.87
CIGNA	88,211	1,087	$171.26	$178.84
Harvard Pilgrim HC	208,442	1,522	$135.43	$185.87
Other Medical Insurance	71,696	197	$176.12	$182.16
Uninsured*	715,394	4,424	$177.21	$252.12
Outpatient Tests and Procedures				
Anthem – NH	15,031	67	$3,260.61	$2,044.76
CIGNA	4,060	36	N/A**-	$1,190.28
Harvard Pilgrim HC	7,468	45	N/A**-	$1,704.33
Other Medical Insurance	2,757	4	N/A**-	$3,089.50
Uninsured*	31,059	164	$3,052.15	$2,405.91
Radiology Services				
Anthem – NH	61,083	486	$831.37	$412.10
CIGNA	17,079	144	$825.96	$590.65
Harvard Pilgrim HC	33,724	209	$1,009.91	$536.18
Other Medical Insurance	12,043	21	N/A**-	$463.26
Uninsured*	129,855	1,001	$943.95	$753.15

** NH HealthCost estimates the prices a hospital offers to uninsured individuals based on the prices paid by private insurers and the hospital's discount policy for uninsured patients.*

*** Weighted medians could not be calculated due to small sample size (fewer than 50 events). Source: Authors' analysis of NH Comprehensive Health Care Information System (CHIS) Group Medical Plans and Uninsured Claims only, FY2022 Q2. Authors calculated the median payment by insurer by service for each hospital and median payment by insurer by service for the state as a whole. The chart shows the average of the median payment the hospital received for each service category, weighted by the hospital's service mix. The chart compares this amount to the average state median payment amount for each service weighted by the hospital's service mix.*

Quality of Care at Alice Peck Day

The tables below show APDMH's patient experience and quality of care scores from CMS Hospital Care Compare[13] (first table) and NH HealthCost[14] (second table). The hospital patient survey, known as the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), is a national survey instrument that is used to measure patient experiences at their respective hospitals for the year ending March 2022. The results are a product of survey responses regarding the hospital experience of recently discharged patients. On the 10 CMS Hospital Care Compare patient experiences scores, APDMH scored above average (green) on eight of the measures, and around average (yellow) on two of the measures.

In addition, NH HealthCost reports two additional measures for APDMH. Lastly, in terms of the "Timely Care" category, APDMH scored near average in time spent in the Emergency Department Before Being Discharged. In the "Safe Care" category, APDMH scored worse than average in the rate of patients infected with C.diff while at the hospital. The hospital did not have sufficient volume to support the calculation of additional quality measures.

Patient Experience

Measure Description	Alice Peck Day Memorial Hospital*	NH Average	National Average
Patients who reported that their nurses "Always" communicated well	83%	81%	79%
Patients who reported that their doctors "Always" communicated well	85%	79%	80%
Patients who reported that they "Always" received help as soon as they wanted	71%	65%	66%
Patients who reported that staff "Always" explained about medicines before giving it to them	64%	62%	62%
Patients who reported that their room and bathroom were "Always" clean	81%	73%	72%
Patients who reported that the area around their room was "Always" quiet at night	54%	54%	62%
Patients who reported that YES; they were given information about what to do during their recovery at home	92%	88%	86%
Patients who "Strongly Agree" they understood their care when they left the hospital	60%	51%	51%
Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	81%	70%	71%

Patients who reported YES; they would definitely recommend the hospital	86%	71%	70%

Timely Care

Time Spent in the Emergency Department Before Being Discharged	NEAR AVERAGE	164 min state average 159 min

Patients Infected with C.diff While at Hospital	MORE THAN AVERAGE	1. 7 state average: 1.0

Citations

[1] Alice Peck Day Memorial Hospital, FY 2021 Community Benefit Report. Available at https://www.alicepeckday.org/sites/default/files/2022-12/FY21-Community-Benefits-Report-with-Addendum.pdf Accessed on March 8, 2023.

[2] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal filing year 2020 data for APDMH encompass activity from July 1, 2020 through June 30, 2021. Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems with which each facility is associated.

[3] New Hampshire Comprehensive Health Care Information System (NH CHIS). NH CHIS Group Medical Plans and Uninsured Claims only, FY2020 Q2. Weighted average of median payment amounts compiled by the authors. Authors calculated the median payment by insurer by service for each hospital and median payment by insurer by service for the state as a whole.

[4] Medicare Hospital Care Compare: Alice Peck Day Memorial Hospital. https://www.medicare.gov/care-compare/details/hospital/301305?id=21cd46eb-75a4-45e5-9a77-0826c1b61ea8&city=Claremont&state=NH&zipcode= . Accessed on March 17, 2023.

[5] NH HealthCost: Valley Regional Hospital (2023). Available at https://nhhealthcost.nh.gov/provider/alice-peck-day-memorial-hospital/quality?carrier=uninsured. Accessed on March 3, 2023.

[6] Alice Peck Day Memorial Hospital:. Available at https://www.alicepeckday.org/about . Accessed on March 8, 2023.

[7] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020.

[8] Alice Peck Day Memorial Hospital: Services. Available at https://www.alicepeckday.org/services. Accessed on March 9, 2023.

[9] Alice Peck Day Memorial Hospital, FY 2021 Community Benefit Report. Available at https://www.alicepeckday.org/sites/default/files/2022-12/FY21-Community-Benefits-Report-with-Addendum.pdf Accessed on March 8, 2023.

[10] Medicare Hospital Care Compare: Alice Peck Day Memorial Hospital. https://www.medicare.gov/care-compare/details/hospital/301305?id=21cd46eb-75a4-45e5-9a77-0826c1b61ea8&city=Claremont&state=NH&zipcode= . Accessed on March 17, 2023.

[11] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020.

[12] New Hampshire Comprehensive Health Care Information System (NH CHIS).

[13] Medicare Hospital Care Compare: Alice Peck Day Memorial Hospital. https://www.medicare.gov/care-compare/details/hospital/301305?id=21cd46eb-75a4-45e5-9a77-0826c1b61ea8&city=Claremont&state=NH&zipcode= . Accessed on March 17, 2023.

[14] NH HealthCost: Valley Regional Hospital (2023). Available at https://nhhealthcost.nh.gov/provider/alice-peck-day-memorial-hospital/quality?carrier=uninsured. Accessed on March 3, 2023.

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Mt. Ascutney Hospital

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Table of Contents

Executive Summary

This report profiles Mt. Ascutney Hospital (MAH) on several dimensions as summarized and detailed below.

Overview

MAH is a 35-bed acute care facility located in Windsor, Vermont (VT). The hospital provides emergency care along with clinical specialties, including cardiology and pain management services, among other services.

Community Benefits

MAH's average yearly charity care costs for uninsured patients increased slightly but at a slower rate than the statewide average growth rate, according to a review of the U.S. Centers for Medicare & Medicaid Services (CMS) Hospital Cost Report (Form 2552-10) data for federal filing years* (FFYs) 2016-2020. The hospital did not report its charity care costs for insured patients.[1]

Financial Status

MAH's average operating margin for FFYs 2016-2020 was negative, but less negative than the Vermont state average. Its total margin was positive for all five years reviewed and exceeded the Vermont state average for four of those years. Revenues grew faster than expenses during this period; total expenses grew faster than the statewide rate while total revenue grew slightly lower than the statewide rate. The CMS Form 2552-10 data shows MAH's service volume declined slightly over the period reviewed at a pace faster than the statewide average, even while its inpatient discharges increased.[2]

Quality

Overall, patient experience at MAH was very positive. On the 10 CMS Hospital Care Compare patient experience scores, MAH scored better than the Vermont and national averages on eight measures and at or near the Vermont and national averages on two. Overall star rating takes into account mortality, safety of care, readmission, patient experience, and timely and effective care. MAH has an overall rating star rating of 4 out of 5 five stars.[3]

Contents of the Report

This report provides the following information about MAH:

- Service profile that includes general statistics, services offered, and a quality summary
- Multi-year profile of financial and utilization comparison statistics
- Patient experience survey ratings from CMS Hospital Care Compare

**Data for FFY 2016-2020 derived from each hospital's CMS 2552-10 Cost Report. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for Mt. Ascutney encompasses activity from Oct. 1, 2019, through Sept.30, 2020.*

Mt Ascutney Hospital Profile

General Hospital Information	
Type of Facility[4]	Acute Care
Total Licensed Beds[5]	25
Total Available Beds[5]	35
Bed Occupancy Rate[5]*	81.1%
Accredited by The Joint Commission	No
Annual Hospital Discharges	433[3]

Hospital Services Offered[6]	
• Cardiology Services • Diabetes and Nutrition Services • Emergency Medical Services	• Hospice Care • Oncology Services • Radiology Services

Quality Statistics Summary

The table below offers a view of MAH's performance on quality-of-care scores from two different sources: NH HealthCost and CMS Hospital Care Compare.

Source	*Measure***	*Score*
CMS Hospital Care Compare[7]	Quality of Care Measures Better Than Average	**8 out of 10**
	Quality of Care Measures Near Average	**2 out of 10**
	Quality of Care Measures Worse Than Average	**0 out of 10**
	Overall Rating***	**4 out of 5 stars**
	Patient Survey Rating******	**5 out of 5 stars**

**Bed occupancy rate is computed by dividing patient days by the number of total bed days available, both available within the S-3 Filing of the CMS 2552 Cost Report of each hospital.*

***Measures highlighted in shades of green are scores higher than the state or national average, and shades of yellow are scores at or near the state or national average.*

****This measure summarizes more than 100 measures of mortality, safety of care, readmission, patient experience, effectiveness of care, timeliness of care, and efficient use of medical imaging.*

*****This measure summarizes how patients recently discharged from the hospital responded to a survey about their hospital experience. The survey asked questions like how well a hospital's doctors and nurses communicated with the patient.*

******Rate of patients readmitted to the hospital within 30 days of discharge.*

Mt. Ascutney Hospital Financial and Utilization Statistics

The two tables below offer a multi-year financial comparison profile based on an analysis of CMS Hospital Cost Report (Form 2552-10) data for federal filing years (FFY) 2016-2020.* CMS requires hospitals to file financial data on these reports in a consistent format that produces a comparable set of measures. MAH's inpatient days declined over the period reviewed at a pace faster than the statewide rate, even while its inpatient discharges increased. Revenues grew slightly faster than expenses during this period; both grew faster than the statewide average growth rates for revenue and expenses. MAH's average yearly charity care costs for uninsured patients increased slightly but less than the statewide average growth rate. The hospital did not report charity care costs for insured patients. MAH's operating margins were better than break even from FFY 2016 – 2018 but dipped sharply in 2019. The hospital's average operating margin for the five-year period was negative, but less negative than the Vermont state average. Its total margin was positive for all five years reviewed and exceeded the Vermont state average for four of those years.[8] Trend values highlighted in green are better than the state average, those highlighted in yellow are the same, and those highlighted in red are worse.

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Annual Change	Statewide '16-'20 Average Annual Change
Total Hospital Discharges [S-3 Col 15 Ln 14] **	365	361	415	428	433	4.66%	0.27%
Total Hospital Days [S-3 Col 8 Ln 14]	7,179	7,115	7,140	7,189	6,453	-2.53%	-1.12%
Charity Care Costs (Uninsured Patients) [S-10 Col 1 Ln 23]	$262,583	$301,973	$348,040	$261,161	$282,654	1.91%	8.64%
Charity Care Costs (Insured Patients) [S-10 Col 2 Ln 23]	.	.	.	.	.	.	-1.54%
Total Unreimbursed and Uncompensated Care [S-10 Col 1 Ln 31]	$1,817,474	$1,289,427	$2,071,565	$2,015,056	$4,102,862	31.44%	8.71%
Total Operating Expenses [G-2 Col 2 Ln 43]	$49,585,014	$50,422,620	$53,449,229	$54,561,988	$55,812,070	3.14%	5.23%
Total Other Expenses [G-3 Ln 28]	.	.	.	.	.	.	98.24%
Total Expenses [Total Operating Expenses + Total Other Expenses]	$49,585,014	$50,422,620	$53,449,229	$54,561,988	$55,812,070	3.14%	0.00%
Total Inpatient Charges [C Pt 1 Col 6 Ln 202]	$24,144,564	$24,618,343	$26,712,213	$28,215,734	$28,023,314	4.02%	3.96%
Total Outpatient Charges [C Pt 1 Col 7 Ln 202]	$47,391,361	$48,598,922	$54,687,419	$58,732,077	$57,625,623	5.40%	1.64%
Net Patient Service Revenue [G-3 Ln 3]	$46,402,276	$48,253,025	$50,075,938	$44,221,861	$45,039,229	-0.73%	-0.98%
Net Income from Patient Services [G-3 Ln 5]	-$3,182,738	-$2,169,595	-$3,373,291	-$10,340,127	-$10,772,841	59.62%	65.40%
Other Income: Other [G-3 Ln 24.00]	$3,192,113	$3,553,789	$3,655,509	$3,630,799	$7,362,424	32.66%	78.48%

Total Other Hospital Income [G-3 Ln 25]	$4,942,844	$4,470,854	$5,575,296	$11,323,420	$17,010,424	61.04%	117.43%
Total Hospital Net Income [G-3 Ln 29]	$1,760,106	$2,301,259	$2,202,005	$983,293	$6,237,583	63.60%	-45.63%
Total Revenue [Net Patient Service Revenue + Total Other Hospital Income]	$51,345,120	$52,723,879	$55,651,234	$55,545,281	$62,049,653	5.21%	6.89%

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Margin	Statewide Average '16-'20 Margin
Operating Margin* **	0.02%	2.67%	0.53%	-14.02%	-6.51%	-3.46%	
Statewide Industry Average** **	-8.76%	-5.39%	-13.66%	-19.33%	-30.75%		-15.58%
Total Margin*** **	3.43%	4.36%	3.96%	1.77%	10.05%	4.71%	
Statewide Industry Average** **	-3.09%	4.99%	2.18%	0.98%	2.00%		1.41%

**Data included in this analysis only pertains to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems each facility is associated with. Data for 2016-2020 derived from each hospital's CMS 2552-10 Cost Report. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for Mt. Ascutney encompasses activity from Oct. 1, 2019 through Sept. 30, 2020.*

***Notations made in brackets "[ ]" reference the location in the 2552-10 worksheet where a specific figure derives from.*

****Operating Margin is calculated as {Net Patient Service Revenue plus Other Income (Other) less Total Operating Expenses less Total Other Expenses} divided by [Net Patient Service Revenue plus Other Income (Other)].*

*****The authors calculated a combined margin for all Vermont acute care hospitals using data reported on the CMS Hospital Form 2552-10 Cost Reports for Vermont acute care hospitals.*

******Total Margin is calculated as Total Hospital Net Income divided by {the sum of Net Patient Service Revenue plus Total Other Hospital Income}.*

Quality of Care at Mount Ascutney Hospital

The table below shows MAH's patient experience scores from CMS Hospital Care Compare, as of March 2023. The hospital patient survey, known as the Hospital Consumer Assessment of Healthcare Providers and Systems(HCAHPS), is a national survey instrument that is used to measure patient experiences at their respective hospitals. The results are a product of survey responses regarding the hospital experience of recently discharged patients. On the 10 CMS Hospital Care Compare patient experience scores, MAH scored better than the state and national averages on eight measures and at or near the state and national averages on two.[9]

Patient Experience

Measure Description*	Mt. Ascutney Hospital	VT Average	National Average
Patients who reported that their nurses "Always" communicated well	84%	83%	79%
Patients who reported that their doctors "Always" communicated well	87%	83%	80%
Patients who reported that they "Always" received help as soon as they wanted	75%	71%	66%
Patients who reported that staff "Always" explained about medicines before giving it to them	73%	66%	62%
Patients who reported that their room and bathroom were "Always" clean	87%	75%	72%
Patients who reported that the area around their room was "Always" quiet at night	62%	55%	62%
Patients who reported that YES; they were given information about what to do during their recovery at home	91 %	89%	86%
Patients who "Strongly Agree" they understood their care when they left the hospital	61%	56%	51%
Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	83%	74%	71%
Patients who reported YES; they would definitely recommend the hospital	88%	73%	70%

**Measures highlighted in shades of green are scores higher than the state or national average and shades of yellow are scores at or near the state or national average.*

Citations

[1] Mt. Ascutney Hospital. 2021 Community Health Improvement Report. Available at https://www.mtascutneyhospital.org/sites/default/files/2022-06/community-health-benefits-report-2021.pdf. Accessed on March 9, 2023.

[2] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for Mt. Ascutney Hospital encompass activity from Oct. 1, 2019 through Sept. 30, 2020. Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems with which each facility is associated.

[3] Medicare Hospital Care Compare: Mt. Ascutney Hospital. https://www.medicare.gov/care-compare/details/hospital/471302?id=aa4de819-f8e5-4943-b842-a6e1b7dc4832&state=VT. Accessed on March 13, 2023.

[4] Mt. Ascutney Hospital: Quick Facts. Available at https://www.mtascutneyhospital.org/about/hospital-facts. Accessed on March 3, 2023.

[5] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020. Bed occupancy rate calculation derived from CMS: https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/Downloads/Accessing_Data_and_Sample_Computations.pdf.

[6] Mt. Ascutney: Department and Services. Available at https://www.mtascutneyhospital.org/health-services/departments-services. Accessed March 5, 2023.

[7] Medicare Hospital Care Compare: Mt. Ascutney Hospital.

[8] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020.

[9] Medicare Hospital Care Compare: Mt. Ascutney Hospital.

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New London Hospital Profile

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Table of Contents

Executive Summary

This report profiles New London Hospital (NLH) on several dimensions as summarized below and detailed in this report.

Overview

NLH is a 25-bed acute care facility located in New London, New Hampshire (NH). The hospital provides emergency care along with clinical specialties, including behavioral health and pain management services, among others.

Community Benefits

NLH provided over $6.1 million in community benefits, including and $430,000 in charity care in hospital fiscal year (HFY) 2019, and $2.6 million in other community benefit services, which include: community health improvement services and community benefits operations, health professionals education, subsidized health services, and in-kind contributions for community benefits, as noted in its FY 2020 Community Benefits Report.[1] NLH's Charity Care costs for uninsured patients increased significantly from federal filing year (FFY) 2016 through 2020 compared to the state average, based on a review of U.S. Centers for Medicare & Medicaid Services (CMS) Hospital Cost Report (Form 2552-10) data.[2]

Financial Status

NLH's operating and total margins were both consistently lower than the statewide average every year from FFY 2016 through FFY 2020. Its operating margin was negative in three of the five years reviewed, while its total margin was negative in two of the five years. NLH's inpatient service volume decreased during this period, while the statewide rate increased slightly over the same period. The authors based these findings on an analysis of CMS Form 2552-10 data for the hospital's FFY 2016-2020. CMS requires hospitals to file financial data on these reports in a consistent format that produces a comparable set of measures.[3]

Cost

NLH's outpatient prices were lower than the state average for some services and higher for others. NLH's payments from private insurers for emergency visits and office visits were generally lower than the state median payment, however NLH's payments from Anthem were higher than the state average. The hospital's payments from private insurers for radiology services were higher than the state median payment. The hospital did not bill for a sufficient volume of outpatient tests and procedures to assess its prices for these services; a physician group may bill for these services rather than the hospital. The estimated prices the hospital charged to uninsured patients were lower than the state median for emergency visits and office visits, but higher for radiology. The authors developed this assessment from an analysis of FY2022 Q2 data submitted to the New Hampshire Comprehensive Health Care Information System (CHIS).[4]

Quality

NLH's quality scores were variable. On the 10 CMS Hospital Care Compare patient experience scores, NLH scored better than the state and national averages on two measures, at or near the

state and national averages on five measures, and below the state and national averages on three measures. CMS Hospital Care Compare gave NLH an overall rating of 4 out of 5 stars.[5] On one additional quality measure reported on NH HealthCost, NLH scored better than average. [6]

Contents of this Report

This report provides the following information about NLH:

- Service profile that includes general statistics, services offered, cost of charity care and community benefits, and a summary of quality
- Multi-year comparison of financial and utilization statistics
- Pricing comparison of the average payment NLH receives for the outpatient services it provides compared to the state median payment for the same sets of services
- Outline of performance on health care quality and safety measures compiled by NH HealthCost
- Patient experience survey ratings from CMS Hospital Care Compare

New London Hospital Service Profile

General Hospital Information	
Type of Facility	Acute Care
Total Staffed Beds[7]	25
Total Available Beds[8]	25
Bed Occupancy Rate[5]*	56.2%
Accredited by The Joint Commission[5]	No
Annual Hospital Discharges[5]	780

Hospital Services Offered[9]

- Emergency services
- Behavioral health
- Dermatology services
- Diagnostic imaging and radiology
- Inpatient care
- Palliative care
- Pain management
- Surgery
- Urology
- Women's health

Charity Care and Other Community Benefits[10]

The table below offers a snapshot of the charity care and other community benefits provided to the greater New London community by NLH. All information derives from NLH's FY 2020 Community Benefit Report.

Unreimbursed Costs 2019	Benefits Provided	Financial Benefit
	(1) Financial Assistance and Means-Tested Government Programs	$3,492,432
	(2) Other Community Benefit Costs	$2,641,123
	Total Unreimbursed Community Benefit Expenses	**$6,133,555**

Quality Statistics Summary

The table below offers a view of NLH's performance on quality-of-care scores from two different sources: NH HealthCost and CMS Hospital Care Compare.

Source	*Measure***	*Score*
CMS Hospital Care Compare[11]	**Quality of Care Measures Better Than Average**	**2 out of 10**
	Quality of Care Measures Near Average	**5 out of 9**
	Quality of Care Measures Worse Than Average	**3 out of 9**
	Overall Rating***	**4 out of 5 stars**
	Patient Survey Rating******	**4 out of 5 stars**
	Unplanned readmission rating*********	No different than national rate

**Bed occupancy rate is computed by dividing patient days by the number of total bed days available, both available within the S-3 Filing of the CMS 2552 Cost Report of each hospital.*

***Measures highlighted in shades of green are scores higher than the state or national average, shades of yellow are scores at or near the state or national average, and shades of red are scores lower than the state or national average.*

****This measure summarizes more than 100 measures of mortality, safety of care, readmission, patient experience, effectiveness of care, timeliness of care, and efficient use of medical imaging.*

*****This measure summarizes how patients recently discharged from the hospital responded to a survey about their hospital experience. The survey asked questions like how well a hospital's doctors and nurses communicated with the patient.*

******Rate of patients readmitted to the hospital within 30 days of discharge.*

New London Hospital Financial and Utilization Statistics

The two tables below offer a multi-year financial comparison profile based on an analysis of CMS Form 2552-10 data for FFY 2016-2020.* CMS requires hospitals to file financial data on these reports in a consistent format that produces a comparable set of measures. NLH's inpatient service volume decreased during the period reviewed, while the statewide rate remained stable. Over the period reviewed, NLH's total expenses and revenues grew; only in FFY 2016 and FFY 2020 did NLH have a negative net income. NLH's expenses and total revenue grew at a slightly slower rate than the statewide average. NLH's charity care costs increased substantially and at a much higher rate than the statewide average for both insured and uninsured patients. NLH's operating and total margins were lower than the statewide average every year. The hospital's operating margin was negative in three of the five years reviewed. Its total margin was slightly negative in two of the five years.[12] Trend values highlighted in green are better than the state average and those highlighted in red are worse.

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Annual Change	Statewide '16-'20 Average Annual Change
Total Hospital Discharges [S-3 Col 15 Ln 14] **	1,019	809	759	717	780	-5.86%	-1.49%
Total Hospital Days [S-3 Col 8 Ln 14]	5,481	5,375	5,079	4,595	4,683	-3.64%	0.15%
Charity Care Costs (Uninsured Patients) [S-10 Col 1 Ln 23]	$250,036	$313,697	$608,480	$270,894	$424,711	17.46%	7.95%
Charity Care Costs (Insured Patients) [S-10 Col 2 Ln 23]	$326,936	$472,252	$614,471	$324,871	$1,186,899	65.76%	11.75%
Total Unreimbursed and Uncompensated Care [S-10 Col 1 Ln 31]	$1,899,923	$2,276,250	$2,121,604	$2,290,832	$2,237,299	4.44%	9.51%
Total Operating Expenses [G-2 Col 2 Ln 43]	$64,198,767	$65,171,914	$63,351,266	$66,816,588	$72,318,454	3.16%	5.52%
Total Other Expenses [G-3 Ln 28]	-$2,701,050	$304,001	$695,009	$89,476	$306,913	-27.84%	-16.72%
Total Expenses [Total Operating Expenses + Total Other Expenses]	$61,497,717	$65,475,915	$64,046,275	$66,906,064	$72,625,367	4.52%	-11.21%
Total Inpatient Charges [C Pt 1 Col 6 Ln 202]	$25,273,497	$23,467,818	$22,133,430	$18,839,063	$15,084,735	-10.08%	5.89%
Total Outpatient Charges [C Pt 1 Col 7 Ln 202]	$68,822,238	$72,057,355	$77,950,557	$70,421,899	$93,227,087	8.87%	8.12%
Net Patient Service Revenue [G-3 Ln 3]	$57,918,044	$58,932,342	$60,095,426	$53,942,990	$61,813,799	1.68%	2.72%
Net Income from Patient Services [G-3 Ln 5]	-$6,280,723	-$6,239,572	-$3,255,840	-$12,873,598	-$10,504,655	-16.81%	-245.10%
Other Income: Other [G-3 Ln 24.00]	$4,095,623	$4,407,601	$4,487,871	$4,339,498	$4,156,435	0.37%	27.13%
Total Other Hospital Income [G-3 Ln 25]	$3,547,106	$6,889,304	$6,444,196	$13,718,382	$10,396,858	48.28%	43.35%
Total Hospital Net Income [G-3 Ln 29]	-$32,567	$345,731	$2,493,347	$755,308	-$414,710	-293.35%	21.21%

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Annual Change	Statewide '16-'20 Average Annual Change
Total Revenue [Net Patient Service Revenue + Total Other Hospital Income]	$61,465,150	$65,821,646	$66,539,622	$67,661,372	$72,210,657	4.37%	5.89%

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Margin	Statewide Average '16-'20 Margin
Operating Margin* **	0.83%	-3.37%	0.83%	-14.80%	-10.09%	-5.32%	
Statewide Industry Average** **	3.00%	2.41%	3.32%	-0.55%	-0.39%		1.56%
Total Margin*** **	-0.05%	0.53%	3.75%	1.12%	-0.57%	0.95%	
Statewide Industry Average** **	6.13%	6.87%	6.03%	3.18%	9.17%		6.28%

**Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems each facility is associated with. Data for 2016-2020 are derived from each hospital's CMS 2552-10 Cost Report. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for New London encompass activity from July 1, 2020 through June 30, 2021.*

*** Notations made in brackets "[ ]" reference the location in the 2552-10 worksheet where a specific figure derives from.*

****Operating Margin is calculated as {Net Patient Service Revenue plus Other Income (Other) less Total Operating Expenses less Total Other Expenses} divided by [Net Patient Service Revenue plus Other Income (Other)].*

*****The authors calculated a combined margin for all New Hampshire acute care hospitals using data reported on the CMS Hospital Form 2552-10 Cost Reports for New Hampshire acute care hospitals.*

******Total Margin is calculated as Total Hospital Net Income divided by {the sum of Net Patient Service Revenue plus Total Other Hospital Income}.*

New London Hospital Estimated Outpatient Visit Pricing

The following chart shows the average payment NLH received for the services it provided in FY2022 Q2, compared to the state median payment for the same sets of services. The payments the hospital received from private insurers for emergency visits and office visits were generally lower than the state median payment, however the payments it received from Anthem were higher than the state average. The payments it received from private insurers for radiology services were higher than the state median payment. The hospital did not bill for a sufficient volume of outpatient tests and procedures to assess its prices for these services; a physician group may bill for these services rather than the hospital. The estimated price NLH charged to uninsured patients was lower than or close to the state median for all categories. Amounts highlighted in green are lower than the state median and amounts highlighted in red are higher than the state median.[13]

Event Type	New London Hospital			
	State Number of Events	*NLH Number of Events*	*Payments to NLH (weighted median)*	*Payments to NLH if NLH received the statewide median payment for its services*
Emergency Visits				
Anthem – NH	9,239	71	$365.63	$332.27
CIGNA	3,381	103	$383.61	$529.67
Harvard Pilgrim HC	5,489	96	$391.31	$484.90
Other Medical Insurance	2,414	13	N/A**-	$577.32
Uninsured*	20,523	283	$312.38	$367.54
Office Visits				
Anthem – NH	347,038	3376	$125.01	$171.87
CIGNA	88,211	1545	$126.94	$178.84
Harvard Pilgrim HC	208,442	2275	$106.74	$185.87
Other Medical Insurance	71,696	224	$103.19	$182.16
Uninsured*	715,394	7420	$116.10	$252.12
Outpatient Tests and Procedures				
Anthem – NH	15,031	4	N/A**	$2,044.76
CIGNA	4,060	-	N/A**	$1,190.28
Harvard Pilgrim HC	7,468	11	N/A**	$1,704.33
Other Medical Insurance	2,757	-	N/A**	$3,089.50
Uninsured*	31,059	42	N/A**	$2,405.91
Radiology Services				
Anthem – NH	61,083	166	$974.98	$412.10
CIGNA	17,079	321	$832.86	$590.65
Harvard Pilgrim HC	33,724	386	$1,010.66	$536.18
Other Medical Insurance	12,043	17	N/A**	$463.26
Uninsured*	129,855	1021	$859.83	$753.15

**NH HealthCost estimates the price to uninsured individuals based on the service mix for insured patients, and the hospital's charges less the discount the hospital offers to uninsured patients.*

***Weighted medians could not be calculated due to small sample size (fewer than 50 events)*

Source: Authors' analysis of NH CHIS Group Medical Plans and Uninsured Claims only, FY2022 Q2. Authors calculated the median payment by insurer by service for each hospital and median payment by insurer by service for the state as a whole. The chart shows the average of the median payment the hospital received for each service category, weighted by the hospital's service mix. The chart compares this amount to the average state median payment amount for each service weighted by the hospital's service mix.

Quality of Care at New London Hospital

The table below shows NLH's patient experience and quality of care scores from CMS Hospital Care Compare (first table) and NH HealthCost (next table) as of March 2023. The hospital patient survey, known as the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) is a national survey instrument that is used to measure patient experiences at their respective hospitals. The results are a product of survey responses regarding the hospital experience of recently discharged patients. On the 10 CMS Hospital Care Compare patient experiences scores, NLH scored above average on two of the hospital measures, around average on five of the measures, and below average on three of the measures.[14] On one additional quality measure reported on NH HealthCost, NLH scored better than average.[15]

Patient Experience

Measure Description	New London Hospital*	NH Average	National Average
Patients who reported that their nurses "Always" communicated well	80%	81%	79%
Patients who reported that their doctors "Always" communicated well	78%	79%	80%
Patients who reported that they "Always" received help as soon as they wanted	72%	65%	66%
Patients who reported that staff "Always" explained about medicines before giving it to them	57%	62%	62%
Patients who reported that their room and bathroom were "Always" clean	81%	73%	72%
Patients who reported that the area around their room was "Always" quiet at night	55%	54%	62%
Patients who reported that YES, they were given information about what to do during their recovery at home	82%	88%	86%
Patients who "Strongly Agree" they understood their care when they left the hospital+	46%	51%	51%
Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	70%	70%	71%
Patients who reported YES, they would definitely recommend the hospital	71%	70%	71%

**Measures highlighted in shades of green are scores higher than the state or national average, shades of yellow are scores at or near the state or national average, and shades of red are lower than the state or national average.*

Timely Care

Time Spent in the Emergency Department Before Being Discharged	 ABOVE AVERAGE	144 min state average 159 min

Citations

[1] New London Hospital Community Benefits Report, 2020. Available at https://www.newlondonhospital.org/sites/default/files/2021-07/Community-Benefits-Form-2020.pdf . Accessed on March 3, 2023.

[2] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for New London encompass activity from July 1, 2020 through June 30, 2021. Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems with which each facility is associated.

[3] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020.

[4] New Hampshire Comprehensive Health Care Information System (NH CHIS). NH CHIS Group Medical Plans and Uninsured Claims only, FY2020 Q2. Weighted average of median payment amounts compiled by the authors. Authors calculated the median payment by insurer by service for each hospital and median payment by insurer by service for the state as a whole. Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems with which each facility is associated.

[5] Medicare Hospital Care Compare: New London Hospital. https://www.medicare.gov/care-compare/details/hospital/301304?id=761b557f-08a3-4bc3-9969-7757806c8bb3&city=New%20London&state=NH&zipcode=#ProviderDetailsQualityIndicatorsContainer . Accessed on March 3, 2023.

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[8] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020. Bed occupancy rate calculation derived from CMS: https://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/Downloads/Accessing_Data_and_Sample_Computations.pdf.

[9] New London Hospital: Services at New London Hospital. Available at https://www.newlondonhospital.org/services/. Accessed on March 13, 2023.

[10] New London Hospital Community Benefits Report, 2020. Available at https://www.newlondonhospital.org/sites/default/files/2021-07/Community-Benefits-Form-2020.pdf . Accessed on March 3, 2023.

[11] Medicare Hospital Care Compare: New London Hospital. https://www.medicare.gov/care-compare/details/hospital/301304?id=761b557f-08a3-4bc3-9969-7757806c8bb3&city=New%20London&state=NH&zipcode=#ProviderDetailsQualityIndicatorsContainer . Accessed on March 3, 2023.

[12] Data retrieved from CMS Hospital Form 2552-10 Cost Reports for NH Acute Care Facilities for FY2016 - FY2020.

[13] New Hampshire Comprehensive Health Care Information System (NH CHIS).

[14] Medicare Hospital Care Compare: New London Hospital. https://www.medicare.gov/care-compare/details/hospital/301304?id=761b557f-08a3-4bc3-9969-7757806c8bb3&city=New%20London&state=NH&zipcode=#ProviderDetailsQualityIndicatorsContainer . Accessed on March 3, 2023.

[15] NH HealthCost: New London Hospital. Available at https://nhhealthcost.nh.gov/provider/new-london-hospital/quality?carrier=uninsured . Accessed on March 17, 2023.

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Table of Contents

Executive Summary

This report profiles Valley Regional Hospital (VRH) on several dimensions, as summarized and detailed below.

Overview

VRH is a 25-bed acute care facility located in Claremont, New Hampshire (NH). The hospital provides emergency care and clinical specialty services, including behavioral health, heart and vascular services, oncology, and pain management care, among others.

Community Benefits

VRH provided $1.2 million in charity care and community building activities and $139,192 in other community benefit services, which include: community health improvement services and community benefits operations, health professionals' education, subsidized health services, health research, and in-kind contributions for community benefits, as noted in its FY 2020 Community Benefits Report. A review of U.S. Centers for Medicare & Medicaid Services (CMS) Hospital Cost Report (Form 2552-10) data for federal filing years* (FFYs) 2016-2020 showed the hospital's charity care costs for uninsured patients decreased at a much faster rate than the statewide rate, while its charity care costs for insured patients increased at more than double the state rate.[1]

Financial Status

VRH's service volume increased across FFYs 2016-2020 and was higher than the statewide growth rate over the same period. The hospital reported a slow increase in expenses during these years, in contrast to the negative expense growth for the statewide average. The hospital's operating margins were negative and lower than the statewide average for each year between FFY 2016 and 2020, except for 2019. Its total margins were positive for FFYs 2018-2020 but lower than statewide averages for all years reviewed. The authors based these findings on an analysis of CMS Hospital Cost Report (Form 2552-10) data for the hospital's FFYs 2016-2020.* CMS requires hospitals to file financial data on these reports annually in a consistent format that produces a comparable set of measures.[2]

Cost

The payments VRH received from private insurers for office visits were lower than the state median price. However, VRH received higher payments from Anthem for emergency services, and the hospital received higher payments for radiology services from all private insurers. The hospital did not bill for a sufficient volume of outpatient tests and procedures to assess its prices for these services. The estimated price the hospital charged to uninsured patients was lower than the state median for emergency services and office visits, but higher for outpatient tests and procedures and radiology. The authors developed this assessment from an analysis of FY2022 Q2 data submitted to the NH Comprehensive Health Care Information System (CHIS).[3]

Data for 2016-2020 derived from each hospital's CMS 2552-10 Cost Report. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2019 data for Huggins encompass activity from October 1, 2019 through September 30, 2020.

Quality of Care

VRH's quality scores were variable. CMS Hospital Care Compare gave VHR a positive overall rating star rating of 4 out of 5 five stars for the year ending March 2022. This overall star rating encompasses mortality, safety of care, readmission, patient experience, and timely and effective care measures. On 10 CMS Hospital Care Compare patient experience scores, VRH scored better than the state and national averages on two measures, at or near the state and national averages on five measures, and below average on three measures. On the other quality measure reported on NH HealthCost, VRH scored better than the average on one measure.[4]

Population Health

On numerous population health measures, Sullivan County performed similar to or better than the state average. However, the county does have ongoing health challenges to address, including the following:

-
- Higher ratio of population compared to primary care physicians
- Higher ratio of population compared to mental health professionals
- Higher ratios of population compared to dental health providers

Community Health Priorities

The VRH Community Health Needs Assessment highlighted community members' concerns regarding health priorities. The section entitled *Input on Health Issues and Priorities* reported responses to a survey that asked community members to select the most pressing health issues out of a list of 27 potential topics. The Needs Assessment reported these top five health concerns:

1. Ability to get mental health services (52% of responses)
2. Cost of health care services (46% of responses)
3. Cost of health insurance (43% of responses)
4. Cost of prescription drugs (37% of responses)
5. Misuse and addiction to drugs and alcohol (33%)

In its 2021 Community Health Needs Assessment,[5] VRH identified the following priority health needs of the community:

1. Availability of mental health services
2. Cost of healthcare services and affordability of health insurance
3. Alcohol and drug use prevention, treatment and recovery
4. Socio-economic conditions affecting health and well-being, such as housing affordability, access to healthy foods, and affordable childcare
5. Affordability and availability of dental care services
6. Prevention of child abuse and neglect

Contents of this Report

This report provides the following information about VRH:

- Service profile that includes general statistics, services offered, cost of charity care and community benefits, and summary of quality
- Multi-year profile of financial and utilization comparison statistics
- Pricing comparison of the average payment VRH receives for outpatient services it provides compared to the state median payment for the same sets of services
- Outline of performance on health care quality and safety measures compiled by NH HealthCost
- Patient experience survey ratings questions from CMS Hospital Care Compare
- Map of the communities identified by VRH its service area
- Medicaid enrollment for towns that comprise VRH's primary service area
- Comparison profile of population health measures for Claremont, Sullivan County, NH, and the United States

Valley Regional Hospital Service Profile

General Hospital Information	
Type of Facility	Short-Term Acute Care
Total Staffed Beds[6]	21
Total Available Beds[7]	25
Bed Occupancy Rate*[7]	40.8%
Accredited by The Joint Commission	No
Annual Hospital Discharges[7]	499

Hospital Services Offered [8]

- Emergency Services
- Specialty Care
- Cancer Care and Infusion Services
- Inpatient Care
- Primary Care
- Rehabilitation Services
- Outpatient Services
- Medical Imaging/ Radiology
- Audiology

Charity Care and Other Community Benefits[9]

The table below offers a snapshot of the charity care and other community benefits provided to the greater Sullivan County community by VRH. All information derives from the hospital's FY 2020 Community Benefit Report.

Unreimbursed Costs 2021	Benefits Provided	Financial Benefit
	(1) Financial Assistance and Means-Tested Government Programs	$ 2,294,942
	(2) Other Community Benefits Cost	$ 139,192
	(3) Community Building Activities	$ 125,434
	Total Unreimbursed Community Benefit Expenses	**$ 2,559,568**

Quality Statistics Summary

The table below offers a view of VRH's performance on quality-of-care scores from CMS Hospital Care Compare.

Source	*Measure***	*Score*

CMS Hospital Care Compare[10]	**Quality of Care Measures Better Than Average**	**2 out of 10**
	Quality of Care Measures Near Average	**5 out of 10**
	Quality of Care Measures Worse Than Average	**3 out of 10**
	Overall Rating* **	**4 out of 5 stars**
	Patient Survey Rating** **	**N/A**
	Unplanned readmission rating*****	No different than national rate

**Bed occupancy rate is computed by dividing patient days by the number of total bed days available; both are available within the S-3 Filing of each hospital's CMS 2552 Cost Report.*

***Measures highlighted in shades of green are scores higher than the state or national average, shades of yellow are scores at or near the state or national average, and shades of red are scores lower than the state or national average.*

****This measure summarizes more than 100 measures of mortality, safety of care, readmission, patient experience, effectiveness of care, timeliness of care, and efficient use of medical imaging.*

*****This measure summarizes how patients recently discharged from the hospital responded to a survey about their hospital experience. The survey asked questions like how well a hospital's doctors and nurses communicated with the patient.*

******Rate of patients readmitted to the hospital within 30 days of discharge.*

Valley Regional Hospital Financial and Utilization Statistics

The two tables below offer a multi-year financial comparison profile based on an analysis of CMS Hospital Cost Report (Form 2552-10) data for the hospital's federal filing years (FFY) 2016-2020.[11*] CMS requires hospitals to file financial data on these reports in a consistent format that produces a comparable set of measures. VRH's inpatient service volume increased during the period reviewed, which contrasts with the stable statewide growth rate over the same period. The hospital reported a slow increase in expenses from FFY 2016-2020 despite a statewide average decline over the same period. VRH's revenue increased at a slightly higher rate than the statewide rate during the same period. VRH's charity care costs for uninsured patients increased at a significantly faster rate than the statewide rate over the period reviewed; its charity care costs for insured patients increased slightly more than the state rate. Between FFY 2016 and 2020, VRH's operating margins were negative and lower than the statewide average every year except for 2019. Its total margins were lower than the statewide average for all years. In the table below, trend values highlighted in green are better than the state average, and those highlighted in red are worse.

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Annual Change	Statewide '16-'20 Average Annual Change
Total Hospital Discharges [S-3 Col 15 Ln 14] **	451	568	523	501	499	2.66%	-1.49%
Total Hospital Days [S-3 Col 8 Ln 14]	3,062	2,994	3,403	3,667	3,618	4.54%	0.15%
Charity Care Costs (Uninsured Patients) [S-10 Col 1 Ln 23]	$275,691	$221,945	$780,385	$774,222	$762,647	44.16%	7.95%
Charity Care Costs (Insured Patients) [S-10 Col 2 Ln 23]	$439,946	$1,076,671	$531,674	$462,869	$690,073	14.21%	11.75%
Total Unreimbursed and Uncompensated Care [S-10 Col 1 Ln 31]	$3,826,836	$2,936,472	$3,450,918	$3,842,867	$5,177,817	8.83%	9.51%
Total Operating Expenses [G-2 Col 2 Ln 43]	$43,117,357	$44,126,792	$46,377,434	$47,693,570	$46,670,728	2.06%	5.52%
Total Other Expenses [G-3 Ln 28]	$3,551	.	$148,945	$12,395	.	.	-16.72%
Total Expenses [Total Operating Expenses + Total Other Expenses]	$43,120,908	$44,126,792	$46,526,379	$47,705,965	$46,670,728	2.06%	-11.21%
Total Inpatient Charges [C Pt 1 Col 6 Ln 202]	$6,540,862	$7,617,599	$8,163,578	$8,427,050	$8,871,659	8.91%	5.89%
Total Outpatient Charges [C Pt 1 Col 7 Ln 202]	$42,964,881	$44,885,958	$52,656,773	$56,132,961	$52,007,126	5.26%	8.12%
Net Patient Service Revenue [G-3 Ln 3]	$37,738,617	$39,558,415	$44,569,312	$46,094,933	$41,817,348	2.70%	2.72%
Net Income from Patient Services [G-3 Ln 5]	-$5,378,740	-$4,568,377	-$1,808,122	-$1,598,637	-$4,853,380	-2.44%	-245.10%

Other Income: Other [G-3 Ln 24.00]	$1,112,799	$1,442,689	$1,367,576	$1,981,513	$1,443,293	7.42%	27.13%
Total Other Hospital Income [G-3 Ln 25]	$1,830,324	$3,882,531	$2,733,314	$2,457,387	$7,872,794	82.53%	43.35%
Total Hospital Net Income [G-3 Ln 29]	-$3,551,967	-$685,846	$776,247	$846,355	$3,019,414	-46.25%	21.21%
Total Revenue [Net Patient Service Revenue + Total Other Hospital Income]	$39,568,941	$43,440,946	$47,302,626	$48,552,320	$49,690,142	6.39%	5.89%

Federal Filing Year*	2016	2017	2018	2019	2020	Average '16-'20 Margin	Statewide Average '16-'20 Margin
Operating Margin* **	-10.99%	-7.62%	-1.28%	0.77%	-7.88%	-5.40%	
Statewide Industry Average** **	3.00%	2.41%	3.32%	-0.55%	-0.39%		1.56%
Total Margin*** **	-8.98%	-1.58%	1.64%	1.74%	6.08%	-0.22%	
Statewide Industry Average** **	6.13%	6.87%	6.03%	3.18%	9.17%		6.28%

**Data included in this analysis only pertain to the hospitals themselves, not to any physician practices owned by the hospital or the hospital systems each facility is associated with. Data for FFYs 2016-2020 are derived from each hospital's CMS 2552-10 Cost Report. Data are reported by each hospital's federal filing year. A hospital's federal filing year begins on the first day of the hospital's fiscal year on or after the beginning of the federal fiscal year (October 1). For example, federal 2020 data for Huggins encompass activity from October 1, 2020, through September 30, 2021.*

***Notations in brackets "[ ]" reference the 2552-10 worksheet data source.*

****Operating Margin is calculated as {Net Patient Service Revenue plus Other Income (Other) less Total Operating Expenses less Total Other Expenses} divided by [Net Patient Service Revenue plus Other Income (Other)].*

*****The authors calculated a combined margin for all New Hampshire acute care hospitals using data reported on the CMS Hospital Form 2552-10 Cost Reports for New Hampshire acute care hospitals.*

******Total Margin is calculated as Total Hospital Net Income divided by {the sum of Net Patient Service Revenue plus Total Other Hospital Income}.*

Valley Regional Hospital Estimated Outpatient Visit Pricing

The following chart shows the average payment VRH received for the services it provided in FY2022 Q2, compared to the state median payment for the same sets of services. The hospital's payments from private insurers for emergency and office visits were lower than the state median price, except for the payments it received from Anthem for emergency visits. In comparison, VRH received higher payments radiology services from all private insurers. In addition, the hospital received higher payments from Anthem for two of the four service categories. The hospital did not bill for a sufficient volume of outpatient tests and procedures to assess its prices for these services; a physician group may bill for these services rather than the hospital. The estimated price VRH charged to uninsured patients was lower than the state median for emergency and office visits but higher for outpatient tests and procedures, and radiology services. Amounts highlighted in green are lower than the state median and amounts highlighted in red are higher than the state median. The authors developed this assessment from an analysis of FY2022 Q2 data submitted to the NH Comprehensive Health Care Information System (CHIS).[12]

Event Type	Valley Regional Hospital			
	State Number of Events	*VRH Number of Events*	*Payments to VRH (weighted median)*	*Payments to VRH if VRH received the statewide median payment for its services*
Emergency Visits				
Anthem – NH	9,239	266	$446.74	$332.27
CIGNA	3,381	154	$456.72	$529.67
Harvard Pilgrim HC	5,489	117	$447.33	$484.90
Other Medical Insurance	2,414	10	NA**	$577.32
Uninsured*	20,523	547	$315.06	$367.54
Office Visits				
Anthem – NH	347,038	1398	$138.62	$171.87
CIGNA	88,211	1101	$112.86	$178.84
Harvard Pilgrim HC	208,442	1037	$116.85	$185.87
Other Medical Insurance	71,696	84	$115.37	$182.16
Uninsured*	715,394	3620	$92.39	$252.12
Outpatient Tests and Procedures				
Anthem – NH	15,031	26	NA**	$2,044.76
CIGNA	4,060	10	NA**	$1,190.28
Harvard Pilgrim HC	7,468	13	NA**	$1,704.33
Other Medical Insurance	2,757	-	-	$3,089.50
Uninsured*	31,059	60	$2,646.43	$2,405.91
Radiology Services				
Anthem – NH	61,083	516	$1,018.19	$412.10
CIGNA	17,079	296	$692.80	$590.65

Harvard Pilgrim HC	33,724	221	$843.26	$536.18
Other Medical Insurance	12,043	4	NA**	$463.26
Uninsured*	129,855	1161	$943.56	$753.15

** NH HealthCost estimates the prices a hospital offers to uninsured individuals based on the prices paid by private insurers and the hospital's discount policy for uninsured patients.*

***Weighted medians could not be calculated due to the small sample size (fewer than 50 events).*

Source: Authors' analysis of NH CHIS Group Medical Plans and Uninsured Claims only, FY2022 Q2. Authors calculated the median payment by insurer by service for each hospital and the median payment by insurer by service for the state as a whole. The chart shows the hospital's average median payment for each service category, weighted by the hospital's service mix. The chart compares this amount to the average state median payment amount for each service weighted by the hospital's service mix.

Quality of Care

The tables below show VRH's patient experience and quality of care scores from CMS Care Hospital Compare[13] (first table) and NH HealthCost[14] (second table). The hospital patient survey, the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS), is a national survey instrument used to measure patient experiences at their respective hospitals. The results are a product of survey responses regarding the hospital experience of recently discharged patients for the year ending March 2022. On the 10 CMS Hospital Care Compare patient experience scores, VRH scored better than the state and national averages on two patient measures, at or near the state and national averages on five measures, and below the state and national averages on three measures.

In addition, NH HealthCost reports one measure in the “Timely Care” category for VRH. "Time Spent in the Emergency Department Before Being Discharged" is 180 minutes at VRH, compared to the state average of 159 minutes. The hospital did not have sufficient volume to support the calculation of additional quality measures.

Patient Experience

Measure Description*	Valley Regional Hospital**	NH Average	National Average
Patients who reported that their nurses "Always" communicated well	76%	81%	79%
Patients who reported that their doctors "Always" communicated well	75%	79%	80%
Patients who reported that they "Always" received help as soon as they wanted	73%	65%	66%
Patients who reported that staff "Always" explained about medicines before giving it to them	55%	62%	62%
Patients who reported that their room and bathroom were "Always" clean	68%	73%	72%
Patients who reported that the area around their room was "Always" quiet at night	68%	54%	62%
Patients who reported that YES, they were given information about what to do during their recovery at home	84%	88%	86%
Patients who "Strongly Agree" they understood their care when they left the hospital	50%	51%	51%
Patients who gave their hospital a rating of 9 or 10 on a scale from 0 (lowest) to 10 (highest)	63%	70%	71%
Patients who reported YES, they would definitely recommend	62%	71%	70%

** Measures highlighted in shades of green are scores higher than the state or national average, shades of yellow are scores at or near the state or national average, and shades of red are scores lower than the state or national average.*

***Fewer than 100 patients completed the HCAHPS survey. Use these scores with caution, as the number of surveys may be too low to reliably assess hospital performance.*

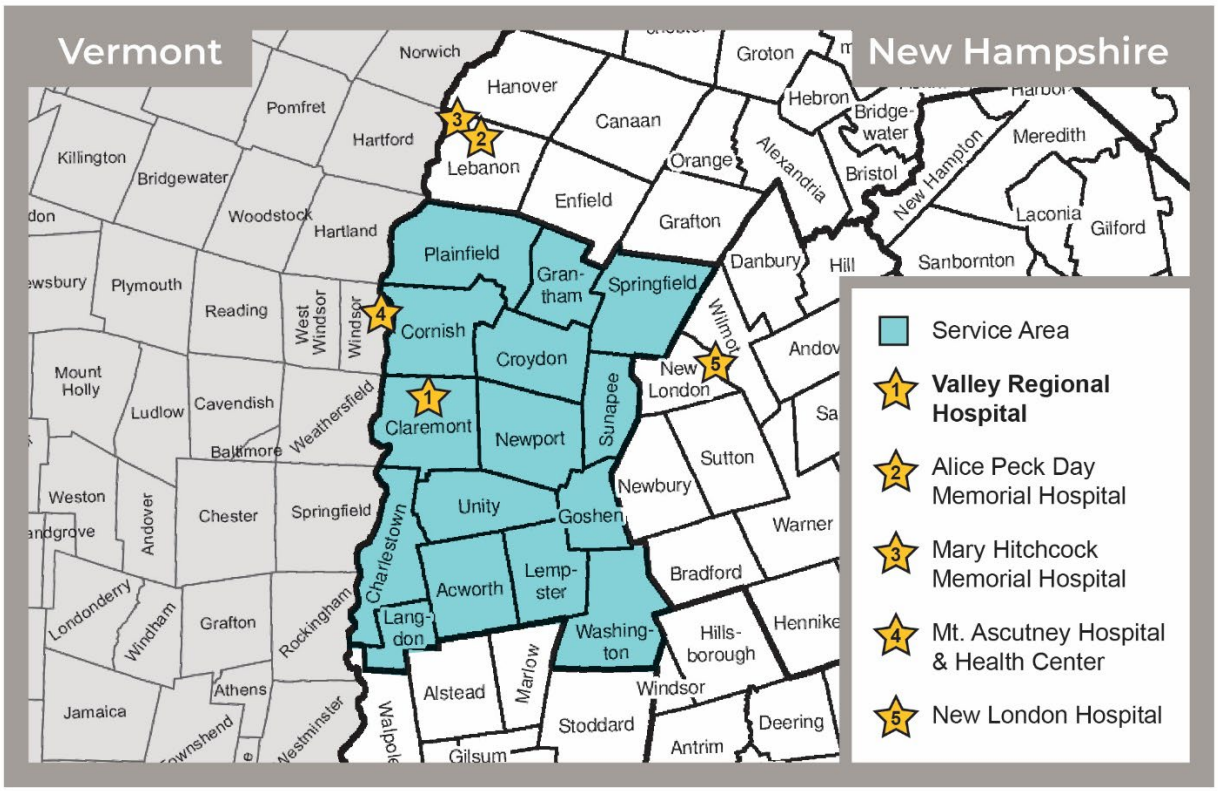
Timely Care

Time Spent in the Emergency Department Before Being Discharged	 LONGER THAN AVERAGE	180 min state average 159min

Communities Served by Valley Regional Hospital

The following map shows the communities VRH identifies as its service area, as listed in its 2021 Community Health Needs Assessment.[15] The communities the hospital serves span over 15 cities in Sullivan County. VRH conducted a needs assessment for these communities, which are shaded in blue on the map below. The stars show the locations of VRH, together with the nearby D-HH affiliated hospitals.

Note: this map is based on communities reported by the hospital; it is not based on an anti-trust analysis.



Medicaid Enrollment

The following table shows Medicaid enrollment in the towns that make up VRH's primary service area, as defined in its 2021 Community Health Needs Assessment, as well as statistics for NH and the United States. As of February 2023, the Medicaid enrollment rate in NH was 18%, and in the United States, the rate was 27%. Claremont and Newport's Medicaid enrollment rates exceeded the national average. Charlestown, Croyden, Goshen, Lempster, and Washington's Medicaid enrollment rates exceeded the state average but were lower than the national average Medicaid enrollment rate. All other towns in VRH's primary service area have Medicaid enrollment rates below the state and national average.

City/Town[16]	Service Area	County	Total Population[16]	Medicaid Enrollment[17]	% of Population enrolled in Medicaid*
Acworth	Primary	Sullivan	862	139	**16%**
Charlestown	Primary	Sullivan	4,868	1,246	**26%**
Claremont	Primary	Sullivan	13,031	4,767	**37%**
Cornish	Primary	Sullivan	1,631	158	**10%**
Croydon	Primary	Sullivan	817	155	**19%**
Goshen	Primary	Sullivan	802	168	**21%**
Grantham	Primary	Sullivan	3,437	251	**7%**
Langdon	Primary	Sullivan	658	84	**13%**
Lempster	Primary	Sullivan	1,143	250	**22%**
Newport	Primary	Sullivan	6,364	2,030	**32%**
Plainfield	Primary	Sullivan	2,495	193	**8%**
Springfield	Primary	Sullivan	1,283	126	**10%**
Sunapee	Primary	Sullivan	3,378	426	**13%**
Unity	Primary	Sullivan	1,510	157	**10%**
Washington	Primary	Sullivan	1,209	244	**20%**
New Hampshire			1,388,779	250,478	**18%**
United States (2022)			334,229,745[18]	91,786,257[19]	**27%**

**Author's calculation of Medicaid enrollment by Total Population.*

Profile Comparison of City, County, State, and Country Population Health Data

The table below offers a community health profile compiled from multiple sources. Numbers in the Source column refer to citations in the endnotes. "NA" indicates that the measure was unavailable for the geographic area. "Z" indicates that the unit's value is greater than zero but less than half a unit of measure shown. Yellow highlighting indicates that the local area scores worse on the measure than the state or the country as a whole.[20]

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
Population					
Population estimates, July 1, 2021, (V2021)	13,039	13,039	1,388,992	331,893,745	18
Population estimates base, April 1, 2020, (V2021)	12,940	43,063	1,377,529	331,449,281	18
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021 (V2021)	0.8%	1.1%	0.8%	0.1%	18
Population, Census, April 1, 2010	109,565	400,721	1,316,470	308,745,538	18
Population, Census, April 1, 2020	12,949	43,063	1,377,529	331,449,281	18
Age and Sex					
Persons under 5 years, percent	6.4%	4.3%	4.5%	5.7%	18
Persons under 18 years, percent	18.2%	17.9%	18.5%	22.2%	18
Persons 65 years and over, percent	19.8%	23.0%	19.3%	16.8%	18
Female persons, percent	52.2%	50.0%	50.1%	50.5%	18
Race and Hispanic Origin					
White alone, percent	96.7%	95.8%	92.8%	75.8%	18

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
Black or African American alone, percent	1.0%	0.8%	1.9%	13.6%	18
American Indian and Alaska Native alone, percent	0.0%	0.4%	0.3%	1.3%	18
Asian alone, percent	0.4%	1.1%	3.1%	6.1%	18
Native Hawaiian and Other Pacific Islander alone, percent	0.0%	--	0.1%	0.3%	18
Two or More Races, percent	2.0%	1.9%	1.8%	2.9%	18
Hispanic or Latino, percent	2.7%	2.0%	4.4%	18.9%	18
White alone, not Hispanic or Latino, percent	93.9%	94.1%	89.1%	59.3%	18
Families & Living Arrangements					
Households, 2016-2020	5,453	17,281	539,116	122,354,219	18
Persons per household, 2016-2020	2.36	2.46	2.44	2.60	18
Living in same house 1 year ago, percent of persons age 1 year+, 2016-2020	85.6%	88.9%	86.4%	86.2%	18
Language other than English spoken at home, percent of persons age 5 years+, 2016-2020	5.8%	3.6%	8.1%	21.5%	18
Education					
High school graduate or higher, percent of persons age 25 years+, 2015-2019	87.2%	91.1%	93.3%	88.5%	18

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	21.2%	29.6.%	37.6%	32.9%	18
Health					
Persons with a disability, under age 65 years, percent, 2016-2020	13.8%	9.8%	8.9%	8.7%	18
Persons without health insurance, under age 65 years, percent	7.9%	8.6%	6.2%	9.8%	18
Percent of adults who currently have asthma, ages 18 and older	N/A	N/A	13.2%	8.4%	21
Percent of adults with asthma with persistent severity	NA	NA	NA	40.4%	22
Number of ED visits due to asthma per 100,000 adults	NA	N/A	4,000 emergency room visits total	104[22]	23
Percent of adults who have diabetes, ages 18 and older	N/A	8.2%	7.5%	8.5%	24,25
Number of diabetes-related hospitalizations per 100,000 adults	N/A	N/A	2,931.7	3,370.0	20, 26
Number of drug-related deaths per 100,000 people	N/A	13.6[21]	21.8	106.0	27, 28
Number of drug-related ED visits per 100,000 people	NA	NA	181.7	149.0	27, 29
Number of deaths among residents under	NA	NA	426.9	423.0	30

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
age 75 per 100,000 (age-adjusted)					
Number of deaths among children under age 18 per 100,000	NA	NA	37.3	51.8	30
Number of all infant deaths (within 1 year) per 100,000 live births	NA	NA	441.0	543.6	30, 31
Percentage of adults reporting 14 or more days of poor physical health per month	N/A	N/A	12%	13%	20
Percentage of adults reporting 14 or more days of poor mental health per month	13%	13%	12%	NA	20
Number of persons living with a diagnosis of human immunodeficiency virus (HIV) infection per 100,000 people	N/A	127.0	107.0	374.6	20, 32
Health Behaviors					
Percentage of adults who are current smokers	N/A	19%	17%	16%	20
Percentage of adults that report a BMI of 30 or more	N/A	NA	32%	32%	20
Food environment index [0 (worst) to 10 (best)]	NA	8.6	8.8	NA	20
Percentage of adults age 20 and over reporting no leisure-time physical activity	N/A	24%	21%	26%	20
Percentage of population with	N/A	92%	74%	80%	20

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
adequate access to locations for physical activity					
Percentage of adults reporting binge or heavy drinking	N/A	19%	22%	21%	20
Percentage of driving deaths with alcohol involvement	N/A	34%	33%	27%	20
Number of newly diagnosed chlamydia cases per 100,000 people	NA	236.4	263.1	551.0	20
Number of births per 1,000 female population ages 15-19	NA	16	9	19	20
Percentage of population who lack adequate access to food	NA	8%	9%	8%	20
Percentage of population who are low-income and do not live close to a grocery store	NA	6.%	5%	6%	20
Number of motor vehicle crash deaths per 100,000 population	NA	14.0	33.0	27.2	20
Percentage of adults who report fewer than 7 hours of sleep on average	NA	32%	35%	35%	20
Clinical Care					
Ratio of population to primary care physicians	NA	1,390:1	1,110:1	1,310:1	20
Ratio of population to dentists	NA	2,550:1	1,300:1	1,400:1	20

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
Ratio of population to mental health providers	NA	500:1	290:1	350:1	20
Number of hospital stays for ambulatory-care sensitive conditions per 100,000 Medicare enrollees	NA	3,503	3,436	3,767	20
Percentage of female Medicare enrollees ages 65-74 that receive mammography screening	NA	51%	49%	43%	20
Quality of Life					
Years of potential life lost before age 75 per 100,000 population (age-adjusted)	NA	330.0	310.0	360.6	20
Percentage of adults reporting fair or poor health (age-adjusted)	NA	16%	14%	18%	20
Percentage of live births with low birth weight (< 2500 grams)	NA	7%	7%	8%	20
Income & Poverty					
Median household income (in 2020 dollars), 2016-2020	$46,848	$63,760	$77,923	$64,994	18
Per capita income in past 12 months (in 2020 dollars), 2016-2020	$26,158	$33,207	$41,234	$35,384	18
Persons in poverty, percent	16%	9%	7%	12%	18
Geography					
Population per square mile, 2020	300.1	80.1	153.9	93.8	18

Measure	Claremont City	Sullivan County	New Hampshire	United States	Source
Land area in square miles, 2020	43	538	8,954	3,533,038	18
Physical Environment					
Average daily density of fine particulate matter in micrograms per cubic meter (PM2.5)	NA	6.1	5.7	7.5	20

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