

Questions:

1. How much will this new vision reduce cost trend and ultimately save the system through operational efficiencies, site rationalization, duplicative capital investment avoidance, etc?

We have estimates of savings associated with delivering care in lower costs settings in the range of **\$300M over 5 years**. As important will be our ability to keep people out of the hospital and achieve key cost savings. This savings in utilization will be reflected in lower Total Medical Expense growth, which is the measure that is the focus of the state.

Our experience in the Pioneer ACO Model shows us that when we redesign primary care and develop mechanisms to keep people out of the hospital – quality goes up and cost growth slows significantly.

2. What is the total cost of these ‘investments?’

- Investment at Hallmark Health: at least \$300M for IT and facilities upgrades as well as primary care investment.
- Investment at Salem: \$190 million for construction of a new, expanded ED, inpatient floors and improvements to parking in Salem as well as investments in health services throughout the communities served by NSMC.
- Investment on the Union Campus: \$30-40 million at Union for a Center of Excellence in Primary Care and Behavioral Health, with Psychiatry and Behavioral Health operated by Massachusetts General Hospital.
- **It is important to remember that we would need to make similar financial investments in our facilities to keep them up to date with our patients needs and current regulation.**
- **Construction jobs – estimated by John Messervy – at least 2,500 for the work to be done. (Use if this works for your audience.)**

3. The initial investment of at least \$300M at Hallmark Health facilities seems high. How certain are you that the Massachusetts health system will see an ROI?

Much of the investment is in the buildings and facilities to fund **necessary** renovation so that resources at this campus will support the best possible care in the community for our patients and their families. Another portion of the investment is in IT, which will help to create better coordination of care. These investments are needed to succeed in the new era of health care, which focuses on keeping people out of the hospital and lowering cost growth over the long-term.

4. How will contracting work? Will Hallmark sites receive Partners rates?

Hallmark is already in our contracts so from that standpoint, nothing will change. **Hallmark rates will be community rates as they are now.**

5. Specifically, how will patients benefit? Will they notice an improvement in care?

There are several ways patients will benefit. First, we are focusing on the most pressing needs of our patients and communities by structuring our practices and facilities to improve access to high-quality primary, urgent and specialty care.

Second, we are expanding access to behavioral health and substance abuse, and third, making best use of our resources across the system to keep health care cost-effective and still close to patients' homes.

For NSMC patients specifically:

With these changes, our mission to provide the finest care to the patients of greater Lynn, Salem and throughout the North Shore is unchanged.

Our ability to deliver on this mission will be enhanced by:

- Increased access to primary care for the entire region
- Improved coordination of care through Patient Centered Medical Home development and high-risk care management programs
- A new, state-of-the-art ED to serve all of our communities
- A new inpatient tower with all private rooms providing the latest family centered facilities for all of our patients.
- Increased capacity / psychiatry and substance abuse services in the Center of Excellence operated by Massachusetts General Hospital
- Enhanced community health resources, including the health centers in Lynn and Salem

We will offer increased access and better care at lower costs while maintaining vibrant healthcare facilities in both Salem and Lynn.

Our planning for this work goes back to the passage of the Affordable Care Act and the formation of Accountable Care Organizations and is reinforced by the objectives of the state's health care reform law - Chapter 224, which also has been a catalyst for our thinking.

HALLMARK: Any specifics you would like to add?

6. Will jobs be lost? Created? At which sites?

NSMC:

While locations and specific positions will change, we will continue to care for all of our patients and will need the staff to provide that care. We have estimated that **about 200 jobs (3,500 total jobs at NSMC – Bob Norton)** will be affected at NSMC, a number that is lower than normal turnover in a year.

Furthermore, this change will not occur for 3 years, so we will be working with our employees to accomplish this as much as possible through turnover, retirement and reassignment within NSMC, MGH, or Partners. We will work with each and every affected employee to help with the transition.

Hallmark:

This kind of investment will require that we maintain a robust workforce in these communities. In fact, there will certainly be opportunity and job growth in many clinical areas – particularly in primary care. There will be some efficiencies gained through normal attritional and consolidation of some ‘back office’ functions – if asked about a specific number – we do not have a specific number – too early in our planning. We will work with each and every affected employee to help with the transition.

7. If psychiatry services are consolidated to Union, what is the plan for taking care of the patients who currently use that campus for emergency, medical, and surgical services?

We have taken great care to ensure that the healthcare needs of Lynn residents will continue to be met. On the Union Campus – North Shore Physicians Practice will have an expanded outpatient medical practice with primary care, specialty and urgent care and other services including lab and infusion and will continue to provide a wide spectrum of care.

We INTEND TO maintain emergency services on both campuses. WE will determine the level of emergency care to be provided at each site based on the needs of the community and patient safety priorities.

Inpatient care will move to NSMC Salem Hospital, which will be expanded and renovated to accommodate our Union Hospital patients.

Additionally, we are committed to building on years of collaboration with both of our local community health centers and community organizations to support them in increasing access to a robust spectrum of community-based care. We will work with them to identify needs and to address them.

It is important to note that many Lynn residents already use NSMC Salem Hospital for their care. In 2012, 56% of Lynn residents who chose NSMC for emergency and inpatient care (services also available at Union) chose to receive that care at Salem.

8. How is this good for Lynn? How is it good for the greater community

- Maintains a robust medical facility in Lynn for patients and employees.
- Expands community-based outpatient medical care through the North Shore Physicians Group including primary, specialty and urgent care.
- Expands much-needed behavioral health services.
- Supports Lynn Community Health Center and community health initiatives.

The plan is good for Lynn because it addresses the most important needs of the community, namely expanded access to primary and specialty care and behavioral health both at our multispecialty practice in Lynn and the Lynn Community Health Center. It includes investment in the health center and in local public health initiatives addressing obesity, teen pregnancy, substance abuse and other challenges. It also preserves a thriving medical campus in Lynn.

For the greater community, it provides much-needed behavioral health and substance use care at a time when the state is losing capacity. It also represents a transformative vision for how we can deliver better care to our communities by reorganizing the way that care is delivered to focus on the highest quality care that also adds the greatest value. More care can now be provided in lower cost

outpatient settings and improvements in chronic disease and care management offer promising efficiencies for both patients and providers.

9. What happens to the Union staff?

While locations and specific positions will change, we will continue to care for all of our patients and will need the staff to provide that care. We have estimated that about **200 NSMC jobs** will be affected in the transformation. This number is significantly lower than NSMC's normal turnover in a year.

Furthermore, this change will not occur for 3 years - we will be working with our employees to accomplish the transition as much as possible through turnover, retirement and reassignment within NSMC, MGH, or Partners. We will work with each and every affected employee to help with the transition.

10. What will be offered at the North Shore Physician Group (NSPG) office remaining on campus? Will Urgent Care be available?

As more and more care is able to be provided on an outpatient basis, we have designed the NSPG Lynn practice to meet many of the health care needs of Lynn residents. The Center of Excellence in Primary Care will offer expanded primary and specialty care (Endocrinology, Gynecology, GI and Rheumatology) as well as lab services for blood work and similar routine tests. Infusion, nutrition counseling and diabetes management will also be available. **Urgent care services will provide for patients who need to see a doctor the same day and who do not need the services of an emergency center.**

11. What about impact to the immediate neighborhood (safety, property value, etc)?

NSMC Union Hospital has been caring for patients with behavioral health needs for more than a decade without disrupting the neighborhood and we expect this to continue at the new center of excellence. In addition, Partners HealthCare has managed psychiatry facilities through Mass General and McLean Hospital, in the residential community of Belmont, for nearly 100 years, in partnership with those neighborhoods. Those experiences will be a guide for future operations and development.

(IF MORE INFO IS NEEDED) Specific to safety, all inpatient rooms in the center of excellence will be on secured units with close monitoring of all entering or exiting the facility. This level of security will be the same as that currently provided on the mental health units at Union Hospital and, in fact, would be more extensive than at the current emergency room.

12. What will be the long-term impact on NSMC, its financial stability, and scope of services?

NSMC will be better equipped to provide excellent care to our community. This consolidation coupled with major investments in facilities as well as primary, specialty and urgent care and behavioral health services, care coordination and community health resources is in the best long-term interest of the communities we serve. In short, we will offer increased access and better care at lower costs.

Consolidation of the campuses will not only save approximately \$13-15M annually, but more importantly will improve care, enhance physician coverage, and support increased specialization by care teams.

13. If the Hallmark acquisition is not approved by the regulators, what is the plan for Union Hospital?

This is our vision for patient care in the new health care environment – it is a plan that is integrated and tied together and it is the plan in its entirety that will be successful and effective. It is driven by our desire to deliver the best possible patient care in the most cost effective manner possible. This vision is consistent with the goals of Chapter 224 and the direction that Massachusetts policy makers have laid out. This is our plan and our vision for delivering care in these communities.

14. Does this represent a net addition of psychiatry beds in Massachusetts? If so, how many? How many beds (in total) will Union Campus have?

Our focus is not on beds as much as it is about taking care of more patients in need, and exact bed counts will continue to evolve. **There will be expanded capacity for much needed mental health and substance abuse care** at the Center of Excellence in Primary Care and Behavioral Health at the Union Hospital campus, with Psychiatry and Behavioral Health operated by Massachusetts General Hospital.

And further tying our plan together - **the number** of psychiatric beds currently at Lawrence Memorial and the Salem hospital of North Shore Medical Center would be included at the Union campus. **The number of psychiatry beds for patients with acute medical problems will remain the same at Melrose-Wakefield.**

(NOTE – no mention of additional beds – a consolidation of existing beds only.)

In total, Union will house **about 100 beds (Bob Norton approved)**

15. What are we doing about the ED/Urgent Care Center at Lawrence Memorial Hospital?

And the Emergency Department at Lawrence Memorial will remain open at least during the two-year transition of Lawrence Memorial to the short-stay inpatient and ambulatory facility as we evaluate the needs of the community.

16. Will LMH stay open?

Yes – plans call for Lawrence Memorial would become a short-stay inpatient and ambulatory facility operated by Mass General, which speaks to the support that will be guaranteed. The LMH campus will serve acute care patients needs who are likely to stay in a hospital for less than 3 days. This facility will have robust outpatient services in key service lines. The short stay and the outpatient services may include Orthopedics, Cardiology, Digestive Health – ex: colonoscopies. The urgent medical needs of the Greater Medford community will continue to be met through an Urgent Care Center in the ambulatory facility.

The new facility will have **between 20-40 beds**. We will have more specific numbers as we move forward with our planning.

17. What is the timeline for all of this work (including transition to psychiatric Center of Excellence?)

Due to the need to sequence the improvements to facilities across the four sites, it will take about three to five years to complete the plan. (Bob Norton approved) This will also be dependent on the needed approvals in the regulatory process.

18. There are 83 acute care beds at Union – where do those patients go?

All hospital-based medical and surgical services will be consolidated to one campus at Salem Hospital. To fulfill our commitment to caring for all our patients and the people who live in our communities, we are making a significant investment in a new Salem Hospital state-of-the-art ED and additional inpatient units with private rooms. There will be improvements to key areas such as a new Main entrance and parking to improve access. Currently there are 83 medical/surgical beds in use at Union Hospital; 72 new beds are planned for the expanded Salem Hospital units to accommodate anticipated volume moving over from Lynn.

18A. Fewer beds? 83 v 72. The goal of Population Health Management is to keep people out of the hospital and therefore we believe there won't be a need for as many beds.

19. ED at Union?

We intend to maintain emergency services on both campuses. We will determine the level of emergency care to be provided at each site based on the needs of the community and patient safety priorities.

20. What are the details of the improvements to be made at LMH, MWH and Salem? (specifically, in addition to IT and primary care investments are we building new operating rooms? New med surg floors?)

At NSMC Salem Hospital:

- New and expanded emergency room
- Inpatient floors with private rooms for medical/surgical patients
- Improvements to key areas such as new Main entrance and parking to improve access

At Hallmark:

In addition to LMH details described above, Melrose-Wakefield will remain a full service acute care hospital operated by Hallmark Health. Major investments from Partners and Hallmark Health will fund renovation so that resources at this campus will remain state of the art and we will have expanded capacity in medical, surgical and maternity services, and potentially additional inpatient treatment areas for psychiatric patients with acute medical problems. It will continue to operate under the Hallmark Health license.

We will also invest in primary care and the Patient-Centered Medical Home model – a team-based, patient-centered approach.

Hallmark – 25 primary care physicians to be added

NSMC –to add 35 net new primary care physicians (nine are currently under contract) over the next five years to practices including those in Lynn and Saugus. This builds on more than 35 since 2007 in anticipation of PHM.

21. What other options were considered for the Union Campus? Why were they rejected?

This is the only option that fulfills our goal of Population Health Management - of bringing together primary care, emergency care, behavioral health, etc. for patients north of Boston. This is our vision for patient care in the new health care environment. It is driven by our desire to deliver the best possible patient care in the most cost effective manner possible. This vision is consistent with the goals of Chapter 224 and the direction that Massachusetts policy makers have laid out. This is our plan and our vision for delivering care in these communities.

22. What about the commitments made to Lynn when Partners and NSMC took over Union Hospital in 1997?

In 1997, when Union Hospital chose to become part of North Shore Medical Center and Partners, the combined organization made a two-part commitment to Lynn: 1) to keep Union open as a general hospital for five years, and 2) to invest, during those same five years, \$15-20 million in facilities equipment, programs and services in the Lynn community. By the end of 2001, as certified by the Department of Public Health, we had already exceeded that financial commitment. In the years since we have continued to demonstrate our strong commitment to Union Hospital and to improving health care in Lynn. In total, since the merger in 1997, NSMC and Partners have invested almost \$57 million in health services in Lynn: over \$25 million in facility improvements at Union Hospital and over \$31 million in facilities and programming throughout the community. This new plan ensures continued investment in a model that better meets the most pressing needs of that community.

23. Will current labor unions be recognized with all of these changes? If not, how will union staff be affected?

Any staffing changes will be discussed and implemented within the context of our current collective bargaining contracts.

24. What kinds of patients will be treated at the Center of Excellence in Behavioral Health?

By bringing together programs from Salem Hospital, Union Hospital, Hallmark Health and partnering with MGH, this new center of excellence will exemplify a deep collaboration between an academic medical center and strong community centered programs.

Drawing upon the unique strengths, affiliations, and best practices of these programs, the new center is planned as a regional resource for outstanding and innovative care for children, adolescents, adults, and seniors with psychiatric conditions and diagnoses such as depression, anxiety, dementia and eating disorders.

Developing a center of excellence from previously separate units will greatly enhance coordination and will also enhance access to expert clinical services and supportive resources for patients and families. This strong new partnership with the MGH, a national leader in psychiatry, will expand opportunities for professional development, retention and recruitment of the best doctors, nurses, social workers and other caregivers. It will also enable greater innovation in providing the best possible clinical care.

25. But if you move people from your AMCs to your secondary facilities, won't you just fill up your AMCs with the sick patients that pay the best?

The vision of our plan is to keep care in the community, whenever possible, and for our Academic Medical Centers to be ready for the sickest patients. We want our specialists to be an available resource for our patients in need of more intensive care.

26. You talk about lowering costs, but yet you are sinking more money into the northern communities – how does that lower cost?

Much of the investment is in the buildings and facilities to fund renovation so that resources at this campus will operate more efficiently in supporting the best possible care in the community for our patients and their families. Another portion of the investment is in IT, which will help to create better coordination of care and in primary care, which expand access. These investments are needed to succeed in the new era of health care, which focuses on keeping people out of the hospital and lowering costs over the long-term.

27. Will the proposed affiliation include any changes in outpatient cancer care?

Working in collaboration with Hallmark, MGH will open an MGH-licensed outpatient cancer center in the Stoneham area, increasing capacity in medical oncology and radiation oncology to accommodate patients in the community-based center.

27a. What about a timeframe?

We do not have an exact timeframe as of today.

28. Any other questions – you can think of – please pass them along.