FOUNDATION FOR COMMUNITY HEALTH

Submitted Written Testimony for
Certificate of Need Application / Docket No: 22-32511-CON

Vassar Health Connecticut, Inc. d/b/a Sharon Hospital Termination of Inpatient or Outpatient Services (Inpatient Labor and Delivery Services)

December 5, 2022

My name is Nancy Heaton and I have been the President and CEO at Foundation for Community Health (FCH) since February 2004. FCH was created as a result of the 2003 conversion of original Sharon Hospital to a for-profit hospital. FCH works together with people and organizations to improve the health and wellbeing of the residents in our service area, especially those who have been historically under resourced. FCH serves seventeen rural communities in the Northwest Corner of CT as well as communities along our border in Dutchess and Columbia Counties in the state of New York replicating the service area of the original Sharon Hospital.

My testimony today regarding the proposed closure of Labor and Delivery services at Sharon Hospital is organized as a series of questions and concerns that I feel would be helpful to consider as you make this decision. I would like to begin by including our public statement made in 2018 regarding this issue as it gives context for my testimony as an organization dedicated to improving health, but who can only do that in partnership with organizations that do the direct work. As such, FCH does not take positions as to how organizations choose to operate, it can only assess when there is an opportunity that is in alignment with our mission and values for us to work together. In 2018 we stated:

> *The Foundation for Community Health (FCH) understands our community's concerns about the recent announcement that the maternity services at Sharon Hospital are to be discontinued. The loss of maternity services is both a practical and an emotional issue in a small rural community like ours. We strongly urge all*

parties to continue to explore all potential opportunities for the common goal of ensuring access to quality and safe labor and delivery services for residents in our community.

In keeping with our value of bringing people together for a common goal, we stand ready to work with the appropriate parties as a facilitator for a convening of major stakeholders to explore possible solutions.

FCH has always been open and clear in its communication with all those who have reached out individually or representing organizations, about its role in this community to openly share our thoughts, and concerns, and when possible, provide information and education on topic. To date FCH has not received a serious request from any party to convene and facilitate a meeting between the concerned parties to explore practical solutions, innovations, or at a minimum some mutual understanding. I am aware, however, that there have been meetings between concerned community, private physician, and hospital parties that I have not taken part in.

Background

At the time of its creation FCH was prohibited by the initial for-profit conversion legal decision from supporting the for-profit hospital in any significant way, including being prohibited to fund other non-profits from establishing programs that might supplant those traditionally provided by the hospital. Our only legal obligation was that we had the right of first refusal should the hospital be offered for sale within its first 10 years. As such, FCH developed its priorities, focus, and approach to its work completely separately from that of Sharon Hospital.

Sharon Hospital during this time was purchased by different private equity groups, all the while, the Sharon Hospital service area was slowly losing local access to services like primary care and specialty services like cancer treatment. It was in this context that FCH decided to grant Health Quest $3 million of the $5 million purchase price toward re-converting the hospital back to a non-profit community asset. At the time, Health Quest repeatedly over our 2.5 years of negotiation stated that strengthening primary care would be its primary focus as that would benefit the larger system and we eagerly agreed to assist in making that happen. As we now

know none of that ever materialized and shortly after the purchase Health Quest announced its intention to merge with Western CT Health Network and Nuvance Health was created.

As a close observer of all these management changes at Sharon Hospital over the years, FCH has often had a front row seat of the hospital conversion and merger process and more recently on how larger hospital systems operate. One noticeable change is the slowly diminishing role of the local hospital within its community.

No experience with Rural Communities

One observation I will make is that these larger urban-based hospital systems have little to no experience serving rural communities. They do not understand how much larger a role a smaller rural hospital, like Sharon Hospital, plays within a community than a much larger urban counterpart. In rural communities, the hospital may be the only institution providing healthcare of any sort with most local physicians also being affiliated with the hospital. Therefore, any real change in rural local services will be amplified and of more concern to rural residents. This requires the hospital and/or its larger system provide more, regular, and clear communications with residents about what, why and how the changes will take place and its impact on local services. In this way a hospital can hopefully pre-emptively address community concerns and expectations.

Providing the same models of service in a rural community cost more per unit of care. Supporting innovation of service provision should be explored whenever possible.

Once they acquire a rural hospital, it seems that many urban-based providers appear to be surprised that everything costs more in rural communities as smaller populations and larger driving distances impact all aspects of life and economics. They may also find that it is often difficult to translate some urban-based approaches to delivering care to rural communities. In fact, the relatively new Sharon Hospital local community board recognized this early on and reached out to FCH to ask if we would consider co-funding a financial sustainability study for Sharon Hospital conducted by Stroudwater Associates, a national expert in rural hospital and

healthcare delivery. The hope was that having a rural healthcare expert provide guidance to both the Nuvance system and the larger community would be a starting point for increased communication, education and understanding between the community and Nuvance. It was also hoped that Stroudwater Associates would be a conduit for more information on innovations and ideas that have been successful in other similar rural hospital situations. Unfortunately, the study results were not communicated well, the community did not have access to Stroudwater to ask questions and/or possibly ask for more data, ideas, and information, and as such it led to increased confusion, the spread of more misinformation, and a lessening of trust and credibility with the community.

Governance Concerns

While a local hospital board may exist, a close read of their by-laws prove that these are in name only, the few tasks that they may be assigned are often staff driven and require a certain sophistication regarding healthcare to be effective. All true governing decisions are diverted to the larger system-level Board. That systems-level Boards have an *allegiance of duty* to the system as a whole and not to any of its constituent parts. I have testified before at other hearings regarding hospital mergers, and FCH believes that unless local boards are given a significant role and some authority at the local level there is no entity with a separate *allegiance of duty* to an individual hospital or its community within a larger system. For example, transportation consistently comes up as a barrier to accessing healthcare and therefore improving one's health overall. A local community Board will be more concerned about this issue and have better ideas on how to address the issues involved in tackling the variety of challenges that limited, expensive and appropriate transportation poses. In some instances, the answer might be to expand transportation, and in others it may make more sense to deliver those services locally. The system level board, however, looks to benefit the entire system and does not necessarily reflect of the needs of each of its parts. Another question involves the criterion the larger system Board and management use to make decisions about where and what services are delivered throughout the system. What is the balance in these criteria for good fiscal performance of the whole system versus its smaller components?

Transportation

As mentioned above, rural transportation is one of the primary barriers to accessing care, this includes travel for both emergency and non-emergency care. The loss of a local service or level of care can be, at best a difficulty, or at worst be life-threatening. Transferring patients to hospitals farther away also makes it difficult for families to visit and/or advocate on behalf of hospitalized loved ones. For ambulatory services, if transportation is secured, one must schedule additional travel time for appointments, potentially losing time at work or school or both if a child is involved. Specific to our area is the concern that three of the surrounding hospitals are in other states (NY & MA) and the closest in-network hospital, Danbury Hospital is the hospital the furthest away. What is the impact of this transportation on insurance and Medicaid coverage regarding choice and utilization of these hospitals? Another question is why Nuvance has not mentioned specifically assisting its pregnant patients and their families in providing transportation as other local hospitals have done after closing their Labor & Delivery services? I would assume that such a service might not be accessed regularly, but it could provide some comfort for those that might need such assistance to know that hospital will be there for them if needed.

Transformation Plan

It is my hope that Nuvance will provide more information regarding its Transformation Plan as part of its testimony for this CON as it states that this plan is critical to the future success and sustainability of Sharon Hospital. It will help the communities feel more confident that it will be enacted. FCH has been asking for a detailed strategic plan from Sharon Hospital, approved by the local community Board since 2017 when it granted funds to re-convert the hospital to a non-profit, and has found more information in these filings about such plans than from any other source.

Nuvance has repeatedly shared its difficulty in hiring for Sharon Hospital, so what will be done differently to enhance primary care in our community?

The expansion of women's health services at Sharon Hospital has also been talked about for many years. It was in testimony provided to OHS for this hearing by Nuvance, that we see

general language that suggests that these services will include increased access to social work, mental health support, primary care, as well as several specialty-care services. OHS and the community deserves to hear more specifics about these proposed services - sooner rather than later. An understanding of how this Transformation plan will strengthen Sharon Hospital financially would be helpful and important information on the part of the community.

Some of the other elements of the plan that should be expanded upon include:

- Maintaining emergency services, which hopefully includes strengthening collaboration and communication with the local EMS and fire department squads in the area.
- Telehealth services, which can be great and now have a permanent role in healthcare delivery but working with a more geriatric community (as emphasized by Nuvance) also needs to consider whether this and other innovations and delivery systems work best with an elderly population or how can it be modified to be successful with this population.
- Expanded behavioral health services: It is unclear if this refers to the expansion of the current Senior Behavioral Health beds or are there plans for more community -based early or primary intervention programs.

State obligations and Long-Term Planning & Oversight

In closing I have some comments regarding the State of Connecticut's obligation to ensure appropriate quality healthcare access for its constituents, especially those under its care (Medicaid, state employees, those incarcerated, etc.). Currently we are heavily reliant on the success of private hospitals and hospital systems to decide where and when services are available, without regard to transportation costs, local needs, or health equity and disparities. If it indeed costs more to deliver services in rural areas, should the state have some obligation to support those costs? Should all individual hospital requests be seen in context of the overall hospital system and not just the individual hospital?

Also, if the mission of the Office of Health Strategy is to implement comprehensive, data driven strategies that promote equal access to high quality health care, control costs and ensure

better health for the people of Connecticut, the CON process should reflect all aspects of that goal and should seek to ensure that all state residents have access to services as equitably as possible. How does the state also ensure that alternatives and innovations to delivery of care are considered and are also appropriate to those impacted? Should the state have the same or different processes to ensure equitable access to *essential* healthcare services? What does the state deem to be essential healthcare services?

In full disclosure, I am currently serving on the Governor's CON Taskforce where we are discussing some of these questions.

Thank you for this opportunity,

Nancy L. Heaton, MPH
President and Chief Executive Officer
Foundation for Community Health, Inc