



# TOWN OF NEW LONDON, NEW HAMPSHIRE

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## CITIZENS ADVISORY COMMITTEE MEETING MINUTES March 2, 2013

### **PRESENT:**

Peter Bianchi, Chair  
Tina Helm, Selectman  
Janet Kidder, Selectman  
Kimberly Hallquist, Town Administrator  
Wendy Johnson, Finance Officer

### **ALSO PRESENT:**

Jack Harrod, Peter Hoglund, Celeste Cook, Hardy Hasenfuss, Teri Bingham, Rick Anderson, Renate Kanler, Sue Clough, Phyllis Piotrow, Donn Klingler, David Payne, Ann Loeffler, Howard Hoke, Bruce King (President and CEO of New London Hospital)

Chair Bianchi called the meeting to order at 7:30am. He gave the floor to Selectman Helm to address the issue of the upcoming school district vote.

Ms. Helm noted that New London's showing at the school election last year was very poor in comparison to previous years. It is believed that the poor attendance was due to the change in the Town Meeting date (the school election is in March while the Town election is in May). She felt that it was important to get the word out that the school election is on March 12<sup>th</sup> and to encourage people to go and vote. Ms. Helm proposed that the Board of Selectmen submit a letter to the editor of the *Intertown Record* to remind people about the importance of getting out to vote. Chair Bianchi and Ms. Kidder agreed with this suggestion. He wondered if anyone had a problem with the Selectmen submitting this kind of letter. There were no objections.

Chair Bianchi introduced Bruce King, President and CEO of the New London Hospital, who was invited to discuss the hospital's potential affiliation with Dartmouth-Hitchcock Medical Center and any other hospital related issues that people wanted to address.

Mr. King thanked those present for the opportunity to meet with them and discuss the hospital. He noted that he would first like to speak to the relationship between New London Hospital and Dartmouth-Hitchcock. He noted that he would like to receive community input regarding plans by the hospital to enter into an affiliation with Dartmouth-Hitchcock Hospital.

Mr. King said that they (New London Hospital) are a \$102 million dollar non-profit organization and they employ about 500 people. They are a Community Critical Access Hospital, which accounts for \$76 million dollars, 8% of this is for outpatient services. Physician practices make up \$17 million dollars. The Clough Center, a 58-bed nursing home, accounts for \$7 million dollars a year. This center is one of the few freestanding nursing homes in the State. They are

funded, in part, by Medicaid but there is always a shortfall. The ambulance service is \$2 million dollars and serves seven towns. They employ approximately 160 providers on the credentialed medical staff. New London Hospital is a 501(c)(3) non-profit organization and they have 15 trustees serving on their Board as of this new fiscal year.

Mr. King said they serve 15 towns and the largest town in their service area is Newport. Second is New London, and then Sunapee comes in third. He reviewed some of the service totals: the Emergency Department served 7,310 patients last year; they ran 147,000 lab tests; 20,000 radiology exams; 43,000 patient rehabilitation exams; and 65,000 doctor visits. Mr. King explained that he is employed under a management contract with Dartmouth-Hitchcock Medical Center that began in April of 2003

Mr. King reviewed the history of New London Hospital's past partnerships. From 1997-December 2002, New London Hospital was part of Concord Hospital group of hospitals. In 2005 the Dartmouth-Hitchcock Alliance was put in place and it lasted until 2009. When the Dartmouth-Hitchcock Alliance ended in 2009, New London Hospital continued to work with Dartmouth-Hitchcock under the "New England Alliance for Health" however they have been independent with regard to governance since 2009. There are many doctors and services provided by Dartmouth-Hitchcock conducted at New London Hospital and they commonly turn to Dartmouth-Hitchcock to provide care in cases where New London Hospital cannot provide it. They also have strong ties with Concord Orthopedics and Oncology, and other independent providers. Those relationships will continue when this new alliance takes place.

Dartmouth-Hitchcock is New London Hospital's resource hospital. They have identified and implemented stroke, trauma and heart-attack protocols with Dartmouth-Hitchcock within the ambulance service. They are frequently cited for saving lives by bypassing New London Hospital and taking the patients directly to Dartmouth-Hitchcock, saving valuable time.

Mr. King noted that last year was the best year at New London Hospital during his tenure, in terms of service, gifts, awards ("Most Wired Hospital" - one of only 25 in the nation), and Steven Powell was chosen Physician of the Year from the Hospital Association. The Affordable Care Act will result in changes in how the State's Medicare payments come in, which will be an improvement from how it is done currently. There are about 145,000 people living in New Hampshire who have no insurance but as of January 2014 these people will have a subsidized insurance option.

Mr. Harrod asked how many uninsured people they serve at New London Hospital. Mr. King said about 8-9% of their budget is attributed to charity care (about \$8 million dollars) which is when patients work with the hospital to pay what they can. Bad debt is when people refuse to cooperate or pay for anything, which is written off and sent to collections. They spend more on charity care than on bad debt. Mr. King said that their financials are all public and can be seen by anyone.

Mr. King noted that a big difference between New London Hospital and private caregivers is that private caregivers can refuse certain insurances because of the low percentage that they are paid from the insurance companies for services rendered. New London Hospital does not do this.

Mr. King noted that the vote to enter into the affiliation with Dartmouth-Hitchcock was unanimous of the non-conflicted board members (Bruce King was deemed to be conflicted because of his management contract with Dartmouth-Hitchcock, as were a few other Board Members for various reasons. These conflicted Board Members provided information to the Board but were excluded from the room during the vote). A major factor in the decision to enter into the affiliation was the uncertainty in healthcare, and the impact on New London Hospital in the future.

New London Hospital hopes to achieve four major things by combining forces with Dartmouth-Hitchcock:

1. Clinical expansion in the region
2. Reduce fees by working together
3. Gain access to Dartmouth-Hitchcock experimental programs, such as the Accountable Care Organization
4. Build new outpatient clinic in Newport and renovate the current Newport Health Center

Mr. King said they hope to fundraise about \$1.5 million dollars towards the \$6 million dollar total for the Newport Health Center. He noted that this has not been approved by their board yet, as it is still in the planning stages. He pointed out that another benefit of the affiliation is that they will be able to get better interest rates because they are part of a larger organization.

Mr. King said that discussions between Dartmouth-Hitchcock and New London Hospital started about a year and a half ago. They have met with the Attorney General's office twice. In order to receive the required approval from the Attorney General, New London Hospital has to pass two tests:

1. An anti-trust test (to prove that they are not trying to be dominant in the market), and
2. A division of charitable trust test, to show that all of the hospital's land, endowments, etc. will remain a part of New London Hospital.

On March 12, 2013 there will be a New London forum held at the First Presbyterian Church. On March 14, 2013 there will be a Newport forum held at the Sugar River Bank Community Room in Newport. Someone from the Attorney General's office will be participating at both events. Mr. King noted there would be a 120-day regulatory review period by the Attorney General's office from when documents are signed and given to them.

Mr. King felt the hospitals would be looking out for what would work best for them as a whole and not as individual hospitals. He looks at it like a marriage where the couple has a joint checkbook and they make decisions that are good for the family – in this case the decisions would be made for the good of the region. They are already working together as Dartmouth-Hitchcock has a shortage of beds and New London Hospital has been taking in more and more

of their overflow in their new facility. It makes sense for the region to better utilize the facilities that are in place: if there are no beds available at Dartmouth-Hitchcock and a patient needs a bed, and there is a bed available at New London Hospital, it makes sense to send the patient to New London Hospital. New London Hospital has added staff and are meeting Dartmouth's needs and the needs of the whole system.

Mr. King concluded his presentation by noting that he would provide the Town with a copy of his presentation to post on the town's website, and he encouraged those present to review it and to attend the public forum on the 12<sup>th</sup> as it is important for the public to know what is being considered and to offer their input.

Ms. Cook added that for the 10 years Mr. King has been at the hospital he has worked so hard to make a difficult situation into the good situation it is today. She felt he deserved enormous credit for that. Mr. King thanked Ms. Cook for her kind words and said he is committed to New London and is very happy to be there.

Mr. Hasenfuss asked about the ambulance negotiations with the various towns. Mr. King said that a couple years ago they brought in an outside consultant to look into the service. The fees were paid for by the hospital (half) and the remainder was paid for by the towns served by the ambulance. The result of the study showed that the service is being run well and in the most cost effective way. Mr. King commented that the ambulance service, which accounts for 2% of their service, requires him to spend about 20% of his time explaining it to people, as it is a confusing situation. He explained that most hospitals are not in the ambulance "business" and while they did offer to sell the service to other entities, they found it would end up costing the towns even more if the service was to be operated outside of the hospital, so they have decided to keep it in-house. The ambulance service loses about \$300k/year.

Mr. Payne shared his positive experience with the quality ambulance service New London Hospital provides. Mr. King said that they hear weekly from people who are very satisfied with the service and noted that the staff on the ambulances is well trained and extremely competent.

Ms. Bingham asked if Dartmouth-Hitchcock had its own ambulance service. Mr. King said they do not; hospitals generally do not offer this service. He noted that Dartmouth-Hitchcock has two helicopters. Dartmouth-Hitchcock sees New London Hospital having its own quality ambulance service as a positive.

Ms. Piotrow acknowledged the complicated nature of running a hospital. She referenced the recent *Time* magazine article about the problems with healthcare ("Bitter Pill: Why Medical Bills Are Killing Us", March 4, 2013). The article reports that people do not really know what things will cost for procedures until after they are done and receive a bill. She wondered if Mr. King agreed that the 25 most common services/procedures should be listed with the charges patients would be responsible for when considering several kinds of insurance, including Medicare. Mr. King observed that he was aware of the article and recommended that those interested in the topic also read the American Hospital Association response to the article. To the issue of consumer access to cost information, Mr. King said that this information is available already,

that very day. Ms. Piotrow thought this information should be posted in the hospital's lobby. Mr. King said that the New Hampshire Hospital Association has a price listing of all hospitals and they can compare prices between hospitals. They have not put anything of this nature in their lobby and he did not feel that it was the best place to post such information. He pointed out that it is hard to predict what services will be provided to a person when they come in. Mr. Harrod said that Ms. Piotrow had a good point and referenced the incredible markup on things such as gauze pads and medication. Mr. King said that they have to mark up these things to be able to recoup what people or insurances do not pay for after receiving services. He suggested contacting the State legislatures and asking for their help to be able to get their money from the insurance companies for the services they provide.

Mr. Hoke said that people can shop for services at different hospitals to get the best price, however he questioned if this is possible when immediate service is needed. When certain tests are needed, they are needed and the cost should not prohibit them from getting them done. He felt it a shame that it had to be that way, but that was the reality.

Chair Bianchi observed that the towns help offset the loss the hospital incurs on the ambulance service. Mr. King acknowledged this and said they receive about \$200,000 from the towns that are served by the ambulance to pay for this shortfall. He thinks of it as a cost to keep the service in Town and to help the hospital pay for the loss.

Ms. Cook felt they are blessed to have a hospital right down the street to serve them. She opined that the fact that the hospital is employing 500 people, in today's economy, was amazing.

Mr. Anderson asked if there are provisions in the affiliation agreement for the partnership to end. Mr. King said they are going into this with the intention that the relationship will work long term, however the agreement will include provisions to get out. He stressed that they have every expectation that they will be in it for the long run as he feels this is in the best interest of New London Hospital and its clinical relationships to have this alliance.

Mr. Hoglund wondered how the hospitals figure their charges and whether it was per what the doctors charge or some kind of market value. Mr. King noted there are several factors that go into establishing the cost for a procedure. He estimated that for an appendectomy (as Mr. Hoglund used for an example), New London Hospital would be the least expensive, Concord Hospital would be next, and Dartmouth-Hitchcock would be the most expensive. That information is publically available in several areas. Every hospital has their own, variant, decision-making process to decide on these costs.

Ms. Loeffler wondered if this alliance would help with the "revolving door" of doctors leaving the hospital and if it would make them happier and encourage them to stay. Mr. King disagreed with the "revolving door" description but noted that doctors today do not stay in one place for a long time, as they did long ago. New London Hospital recruits and retains people longer than most other hospitals do. Some of the high-quality doctors they employ have spouses at Dartmouth-Hitchcock who accept fellowships out of this area and thus have to leave the area completely. People do retire and move on. The turnover in primary care at Dartmouth-Hitchcock

is worse than at New London Hospital and it is not unique to this community. Ms. Helm offered that it may seem that there is more turnover in a smaller hospital because the staff is smaller and it is more noticeable. Mr. King agreed and noted that people do not usually leave New London Hospital because they are unhappy, but for other opportunities to advance themselves.

Ms. Bingham said she liked the “Friends of New London Hospital Newsletter” and has never heard from anyone who has had bad care at New London Hospital. She shared that she volunteers at the hospital at the front desk. One thing that comes up at frequently is that the signage is not adequate and people often do not know where to go. She wondered how this could be remedied.

Mr. King said when they built their building there was some limitation from the Town’s zoning laws as to what they could use for external signage. He acknowledged the issue and said they need to work with the Town to adhere to the zoning requirements for the outside signs. The inside signs are not subject to regulation by the Town. Chair Bianchi said he has not seen a request to change external signage at the hospital since he has been a selectman. He added that the Town had no intention of making it difficult for people to find the areas they want at the hospital by not allowing adequate signage. Mr. King said as part of the initial site plan, they were not allowed to do certain things with signage. He would be glad to come back to discuss signage with the board at a later date. Mr. Hoke said he would be willing to make a donation for new letters for the Emergency Department signage.

Ms. Piotrow opined that everyone hates the system but loves his/her own doctor. Insurance is not covering people’s medical expenses and the insurance offered to the current non-insured is going to be expensive. How can they lower the costs of healthcare? What can be done with the entire system? Mr. King said they are trying to improve the way they deliver healthcare at the regional level. They are creating a wellness initiative to reduce the need for services. He noted that no one wants to pay for the increasing costs for healthcare.

Chair Bianchi thanked Mr. King for attending the meeting. Mr. King said he would stay to answer other questions and reminded them of the two public forums coming up that month.

The meeting adjourned at 9:04am.

Respectfully submitted,

Kristy Heath, Recording Secretary  
Town of New London