



Coastal Healthcare Alliance MaineHealth

Senator Hamper, Representative Gattine, Senator Brakey, Representative Hymanson and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs and the Joint Standing Committee on Health and Human Services, my name is Mark Foure, MD, and I was recently appointed CEO of Coastal Healthcare Alliance, which is the parent organization overseeing Pen Bay Medical Center and Waldo County General Hospital. Prior to my current position, I served as the chief medical officer for LincolnHealth in Boothbay Harbor and Damariscotta and I have over thirty years of experience directly caring for patients in the emergency department setting. Both Coastal Healthcare Alliance and LincolnHealth are members of MaineHealth. I am here today speaking in strong opposition to proposed cuts to hospitals and physician services contained in the Governor's proposed biennial budget.

In 2015, the Boards of Pen Bay and Waldo began working together to address the challenges of a rapidly changing health care environment and continued pressure from subsidizing charity care and bad debt. In December of 2015, the Boards voted to join forces, and Pen Bay Medical Center and Waldo County General Hospital began operating as one organization governed by the Coastal Healthcare Alliance Board of Directors.

Since the beginning of this collaborative process, we have successfully integrated more than 70 clinical and non-clinical programs. We are now offering our shared services and programs to the entire region. Doing so has enabled our system to maintain the delivery of high-quality care in the Midcoast while creating efficiencies that help to ensure that the residents of Knox and Waldo counties will continue to have access to specialty care as close to home as possible. Another major focus was bringing together executive teams to save costs and operate more efficiently by sharing key positions, including a single CEO, COO, and CFO. Our new structure has been instrumental in growing access to specialty services in our area, including, for instance a Pen Bay urologist now works at Waldo one day a week and we've jointly hired a dermatologist to ensure dermatology coverage for all health plans as well as the uninsured. We also participate in a telestroke program overseen by Mainehealth that takes advantage of our certified stroke program at Pen Bay Medical Center.

While we are making every effort to provide care efficiently, like most not-for-profit health care organizations in Maine, and particularly those serving rural communities, our local health systems face significant financial challenges.

During the last fiscal year, Coastal Healthcare Alliance absorbed an operating loss of over \$3.2 million while providing over \$44 million, or 19% of our operating revenue in care for which we are not paid.

Add to that challenge the \$5.8 million in reductions included in the Governor's proposed budget, and we could easily lose three years of incredible progress and collaboration, which has



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increased efficiency and, more importantly, improved access to quality care for our communities.

Coastal Healthcare Alliance jobs and programs will be at risk if the Governor's proposed budget initiatives are enacted.

- \$1,916,551 in cuts over the biennium due to threatened MaineCare eligibility cuts
- \$1,715,560 in cuts over the biennium in critical access hospital payments for Waldo County General Hospital
- \$1,286,770 in cuts over the biennium if Hospital-based Facility Fees are eliminated
- \$679,800 in tax increases over the biennium in the Hospital Tax without a corresponding match

The Governor's proposed budget would cut over \$5.8 million from our budget over the biennium—that's a burden we simply can't sustain

What makes these budget proposals, and their devastating impact, more puzzling is the fact that the Department of Health and Human Services has stated there is no MaineCare deficit. It appears that the critical services that hospitals and our physician practices provide are being cut to fund other priorities. As a new health system CEO, I can think of few things as important to the well-being of a community as a fiscally sound and high performing healthcare system.

The proposed budget cuts would have an immediate impact on our ability to continue meeting the critical healthcare needs of our communities. Coastal Healthcare Alliance and other MaineHealth members are currently developing a system-wide comprehensive opioid addiction treatment program that will require significant resources, resources that undoubtedly would cease to be available should the cuts before you be enacted.

I recognize that balancing the healthcare needs of our Maine communities within the limits of our state budget is a challenge, and I appreciate the demands placed on each of you as you make these decisions. I started today by highlighting the important and necessary changes we are making to better align our system of care for the people we serve on the Midcoast. The business community often highlights how stable public policy plays a major role in long-term planning and a vibrant economy. The same stability in public policy is critical for our health systems as we strive to ensure that adults remain healthy in order to continue working. And, we are committed to improving the wellbeing of the unemployed so they too can return to our workforce.

Pen Bay Medical Center and Waldo County General Hospital are large systems with a combined workforce of over 2,200 employees with a shared goal to better manage regional healthcare planning by reducing costs, streamlining operational efficiencies, and most importantly to

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maintain and improve access to quality health care for all Midcoast residents. The reductions and policy changes proposed in this budget threaten our ability to meet this critical goal.

Thank for the opportunity to present my comments today. I will be glad to take any questions you may have.