

MaineHealth

MaineHealth Member Organizations:

Franklin Community Health Network
LincolnHealth
MaineHealth Care At Home
Maine Behavioral Healthcare
Memorial Hospital
Maine Medical Center
NorDx
Pen Bay Medical Center
Southern Maine Health Care
Synernet
Waldo County General Hospital
Western Maine Health

Part of the MaineHealth Family:

MaineHealth Accountable Care Organization

MaineHealth Affiliates:

MaineGeneral Health
Mid Coast-Parkview Health
New England Rehabilitation Hospital of Portland
St. Mary's Health System

Testimony of Katie Fullam Harris

MaineHealth

In Strong Opposition to LD 1715

“An Act to Ensure Rural Patient Populations Receive Safe and Effective Health Care”

January 16, 2018

Senator Brakey, Representative Hymanson and Distinguished Members of the Joint Standing Committee on Health and Human Services, I am Katie Fullam Harris, Senior Vice President of Government Relations and Accountable Care Strategy at MaineHealth, and I am here to testify in strong opposition to LD 1715.

MaineHealth is Maine's largest integrated non-profit health care system that provides the full continuum of health care services to the residents of eleven counties in Maine and one in New Hampshire. Every day, MaineHealth's volunteer board members and 18,500 employees work collaboratively to support our vision of “Working together so our communities are the healthiest in America.” Unfortunately, LD 1715 would have just the opposite effect.

There are three overarching problems with LD 1715:

1. It usurps the critical role that local communities and boards play in making critical decisions regarding the complement of health care services that can and should be supported by and for that community. Is the Legislature better equipped to prioritize services for local communities than the community leaders who volunteer their time to serve on the boards of local health systems?
2. LD 1715 fails to recognize that low volume jeopardizes the quality of care a patient receives. It would be difficult to justify maintaining a service if providers were not confident in their ability to deliver it safely.
3. LD 1715 fails to recognize the significant financial challenges that face nearly all of Maine's rural hospitals. Six of eight of MaineHealth's member hospitals are located in rural communities, and over half are just

breaking even or suffering from operating losses. This bill would force hospitals to maintain services without a viable funding stream to support them.

Small community hospitals are trying to maintain as many services as possible for their communities while maintaining the highest levels of quality. At the same time, we are striving to stay current with new technology, working to retain and recruit the best talent from a shrinking labor pool, trying to manage the increasing level of reductions from governmental payors while all the while trying to improve the value of care that we provide to our patients.

It should come as no surprise that rural providers in Maine are being further stressed as they care for an older population that tends to be uninsured or underinsured. Over the next decade, MaineHealth estimates that the population within its service area will experience less than one percent growth while the number of individuals 65 or older will increase by 25 percent.

Rural hospitals are also seeing surgeries and other complex procedures migrating to larger medical centers that are better able to accommodate the new technologies and highly specialized providers that improve health outcomes. In fact, in 2015, 20 of Maine's 33 general acute care hospitals performed fewer than two inpatient surgeries per day, while over 70 percent of inpatient surgeries were performed at just five hospitals in the state of Maine.

For many procedures, maintaining an adequate volume is essential to maintaining quality. A 2012 study published in the *American Journal of Obstetrics and Gynecology* ("The Association between hospital obstetrical volume and maternal postpartum complications," *American Journal of Obstetrics and Gynecology*, July 2012) found that complications during child birth were much more common at very low volume labor and delivery departments. In cases where demand for services is exceedingly low, decisions are based many factors, including patient quality and safety, community access and financial sustainability. Under L.D. 1715, a program whose volumes have dropped to dangerously unsustainable levels would be forced to continue providing services until prolonged legislative process had concluded.

For example, the difficult decision to convert the Emergency Department (ED) to an Urgent Care Center in Boothbay Harbor was largely based on how best to continue to provide safe, high-quality care in the face of shrinking patient volume. The ED at St. Andrews on average only saw one patient every other night. The medical staff voiced concerns that a 3-person ED (one doctor, one nurse, and an ED technician) is not the best option in a life-threatening emergency when a fully-staffed ED was only 18 miles away (at Miles Memorial Hospital in Damariscotta). Given these numbers, maintaining two Emergency Departments in Lincoln County was not sound from a quality perspective. This decision was not made lightly, but it was made with the best interest of the health and safety of the community in mind. I am happy to report that the urgent care center is very well utilized, and the community has come to embrace its presence as is proven when patients vote with their feet.

In a time of declining inpatient volume, reimbursement challenges, increasing uncompensated care and a deteriorating payer mix, hospitals throughout our state, both big and small, are struggling to remain

viable while providing the most appropriate services at a high level of quality as close to home as possible. In Fiscal Year 2016, 19 of Maine's 33 hospitals lost money. Notably, taken together, Maine's 36 hospitals had a combined operating margin of \$29.4 million that year, but if you take out the two largest, Maine Medical Center in Portland and Eastern Maine Medical Center in Bangor, the remaining Maine hospitals lost \$50.7 million.

LD 1715 would force hospitals to maintain current levels of service without identifying a way to support them with human or financial resources. That is neither reasonable nor sustainable.

For Maine's hospitals to withstand the challenges posed by changes in population and Maine's economy, difficult decisions will continue to be made. Maine's non-profit hospitals are overseen by volunteer boards comprised of community leaders who take their roles protecting access to high quality care for their communities seriously. They have the best interests of their communities in mind at all times, and they must continue to have the flexibility to place the well-being of the community ahead of those who are committed to maintaining status quo at any cost. And L.D. 1715 attempts to maintain the status quo. It eliminates the ability of hospitals and the non-profit, volunteer boards that oversee them to adapt service offerings to reflect the changing needs of their patients and to ensure their long term sustainability within their communities. Additionally, this legislation attempts to force hospitals to continue offering services without providing the financial support hospitals so desperately need to continue to provide safe, high quality and affordable health care to Mainers.

For these reasons, I urge this committee to vote Ought Not to Pass and allow our hospitals to continue to adapt to the ever-changing needs of our communities and offer safe and high-quality care at the right time and in the right place.

Thank you, and I would be happy to answer questions.