

May 6, 2022

VIA EMAIL AND OVERNIGHT MAIL
KIMBERLY.MARTONE@CT.GOV

Connecticut Department of Public Health
c/o Kimberly Martone
Deputy Director/Chief of Staff
410 Capital Ave.
Hartford, CT 06134

Re: Docket No. 22-32511

Dear Ms. Martone:

Our firm represents Save Sharon Hospital in connection with Sharon Hospital's CON Application to close its maternity unit.

We have reviewed the completeness questions and the responses filed by the Hospital. My client is filing a response to such responses at this time. Following is a list of further inquiry which we suggest, much of which is outlined in the response being filed by the client.

1. Please explain the basis for your projection of income from operations of \$161.903 million for 2023 and \$165.083 million in 2024 as shown on Attachment I and also your prior financial submission. Isn't this an arithmetic error which reflects a lack of financial controls and review? Please correct.
2. Give detailed justification for the projected increases in gross patient revenue without the CON by 11.7% from 2021 to 2023 and 5.4% from 2023 to 2024 despite projected decrease in discharges for 2023 and only a minor increase in 2024.
3. What is your process and system of financial control and supervision in providing financial and operating information?

Murtha Cullina LLP
107 Elm Street
Four Stamford Plaza, 11th floor
Stamford, CT 06902
T 203.653.5400
F 203.653.5444

4. Itemize and explain Attachment I columns 3 and 6, lines B 1,2,3,4. Please give detailed rationale and supporting data for each line item.
5. To the extent line B 3 column 3 and 6 reflect the costs of anesthesia, pediatrician and surgery coverage, please provide underlying coverage contracts. And detail any allocation methodology. Won't this coverage still be needed for the emergency department (ED) which will deliver babies and deal with other emergencies which might require emergency surgery or pediatric coverage 24/7? Also isn't it the case that lines B 1 and 2, column 3 and 6 won't be eliminated entirely as staff members will be redeployed if the CON is approved? Please provide this information. Please also provide the detailed description described in question 21.
6. Does Attachment I, column 1 omit the impact of CARES Act payments? Does it include a charge for corporate overhead that includes prior years? Does it omit a credit for tests and procedures ordered at Sharon Hospital or by Sharon Hospital providers but performed elsewhere in the system, as noted in the Stroudwater Associates report? Please revise to correct for these items.
7. Sharon Hospital's CON submission specifies that other clinical services, such as behavioral health, primary care and outpatient services will be added. Please provide the revenue and expenses for such services as part of Attachment I.
8. Please provide the requested Financial Worksheet for Nuvance Health and affiliates on a consolidated basis as requested in question 6.
9. Quality metrics are not confidential. Please provide the underlying metrics requested in completeness question 9.
10. With reference to your claim that the ACOG report cannot be produced due to peer review privilege and with reference to any other claim of privilege, please delineate the specific contractual language relied upon for non-disclosure and the specific federal and state statutes relied upon and how this prevents disclosure. Was it your intent to use this report with OHS if it had reflected negatively on the labor and delivery unit? Is there anything which prevents you from waiving any peer review privilege and producing this report as required by OHS?
11. What amount was spent on advertising for Sharon Hospital's obstetrics unit specifically in 2020, 2021 and 2022? What was spent for units at other Nuvance hospitals?
12. Did you refuse to provide a recruitment loan to the community obstetrics group for the physician such group recently hired? Why?

Kimberly Martone

May 6, 2022

Page 3

13. Why didn't Nuvance hire a recruitment firm to assist with the hiring of physicians for Sharon Hospital's labor and delivery service?
14. Have you sent retraction letters to the patients who received the letter which stated that the maternity unit would be closed in the "late spring/summer" of 2022? Have you posted retraction statements on your website and via social media?
15. Are you recruiting full-time labor and delivery nurses since the CON to close the maternity unit has not been approved by OHS?
16. What kind of model is Nuvance's draft proposal in Attachment R based on? Are these proven, tested protocols? Has ACOG evaluated these? If not, should ACOG be asked to evaluate? Have you shared your plans to do deliveries in the ED with your ED vendor and your ED physicians, and if so do they agree that your plan is appropriate? Have the ED vendor, ED physicians, obstetricians and pediatricians been consulted on the patient transfer plans as listed in Attachment R?
17. Please provide unredacted versions of the documents contained in Exhibit S.
18. What communications did you have with medical staff wherein consequences were threatened for criticism of the Hospital's plan to close maternity? Have you sought to deter communications by such staff with OHS?

Sincerely,



Paul E. Knag

cc: Victoria.veltri@ct.gov
Steven.Lazarus@ct.gov