

Save Sharon Hospital, Inc.

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January 10, 2022

VIA EMAIL AND OVERNIGHT DELIVERY

Kimberly Martone

Deputy Director/Chief of Staff

Office of Health Strategy

450 Capitol Avenue

P.O. Box 34308, MS# 510HS

Hartford, CT 06134-0308

RE: Certificate of Need Docket No. 18-32238-CON

Response to OHS's Inquiry of October 29, 2021, and Nuvance Health's Response of November 22, 2021

Dear Ms. Martone:

We are Save Sharon Hospital, Inc. ("SSH"), a community based non-profit organization dedicated to supporting and preserving Sharon Hospital for future generations as a full-service community hospital. We write concerning Nuvance Health's response, dated November 22, 2021, to OHS's letter, dated October 29, 2021, which initiated an investigation into possible noncompliance by Nuvance Health ("Nuvance") with OHS's Order, dated April 1, 2019 (the "OHS Order"), which set forth preconditions to OHS's approval of the proposed merger between Health Quest Systems and Western Connecticut Health Network.

In Paragraphs 3, 4, and 5 of Nuvance's response, pertaining to the recruitment of clinical staff, especially in maintaining Labor and Delivery services, Nuvance omitted important facts that undermine its claim of robust and sustained recruitment efforts. In late September 2021, Nuvance announced that Sharon Hospital's Labor and Delivery unit would be closing in 8-12 months. At that time, Nuvance reported it would offer large incentives to nursing staff to retain them at Sharon Hospital until the closure. However, those offers were insufficient to prevent three nurses from quitting. Nuvance is thereby forcing Sharon Hospital to rely on high-priced temporary nurses—if they can be found—recruited through a staffing agency. This is a crisis of Nuvance's own making. Additionally, although Nuvance reports in its November 22, 2021, response that recruitment for an OB/GYN has been unsuccessful, the community OB-GYN group has successfully recruited a full-time doctor to join its staff from New York University Hospital, as confirmed by a community physician at the Northwest Hills Council of Governments meeting on October 14, 2021.

In Paragraph 6 of Nuvance's response, pertaining to how Nuvance determined the needs for obstetrical and gynecological services, it cites projections from Sg2/Claritas, giving Female Population Estimates for Nuvance's Connecticut market. It is unclear whether the estimates are pre-pandemic or whether they account for pandemic-related demographic shifts. The Northwest Corner of Connecticut has experienced a population increase as families left New York City for the Sharon Hospital region in the early months of the Covid-19 pandemic, resulting in a widely reported increase in real estate activity. The number of children in local schools has correspondingly risen. It is important to ensure that the demographic projections are sufficiently up to date and accurately reflect pandemic population shifts. It is also worth noting that, even though Nuvance highlights an overall 2.3% population decline in the CT – North region, the same demographic numbers show an actual increase in the number of women of child-bearing age in the region, which is projected to rise 1.4% over the five-year period. Additionally, despite prior and current threats to close Sharon Hospital's Labor and Delivery unit, the number of deliveries has remained steady at or above 210 for the past several years.

In Paragraph 4 of Nuvance's response, Nuvance references that it plans to recruit and retain physicians, as detailed in its Health Strategic Plan 2025. It would be quite useful for Nuvance to show its census of physicians by specialty at the time its plan was created; the number of physicians by specialty to be added; the number of physicians added and lost by specialty to date; and the current census by specialty. Quantification of this information would be extremely helpful to the community in understanding the medical strengths and deficiencies that currently exist at Sharon Hospital, as well as the areas in need of strengthening.

In Paragraph 1 of Nuvance's response, pertaining to charity care, OHS specifically requested that Sharon Hospital provide the total amount of charity care for each of the past five years, including the number of patients applying for aid, the number of such patients approved to receive aid, and a summary of the insurance status of those receiving aid. We have reviewed Nuvance's response of November 22 regarding its provision of charity care at Sharon Hospital and believe that it demonstrates that Sharon Hospital is not in compliance with the OHS Order.

Nuvance's responses concerning Sharon Hospital show that:

1. The total amount of charity care significantly declined over the past five years, from \$536,593 in FY 2016 to \$193,277 in FY2020, a decline of 64.0%. Over the same period, Danbury Hospital's and Norwalk Hospital's total charity care increased 19.6% and 9.0%, respectively, from FY2016 to FY2020.
2. During our analysis of the charity care statistics, we noticed that the numbers of applicants and approved applicants, the percentage of applicants approved and, finally, the total charity care amount were the same for Norwalk Hospital in FY2016 and FY2017. We question these numbers and urge OHS to request corrected numbers from Nuvance.
3. Total charity care at Sharon Hospital dropped from \$536,593 in FY2016 to \$37,486 in FY 2018, a decline of 93.0%. The total amount of charity care increased to \$193,277 in FY2020, but this was still dramatically below FY2016's level.
4. Sharon Hospital has the lowest average percentage of applicants approved for charity care over the five-year period (FY2016 through FY2020) when compared to Danbury Hospital and

Norwalk Hospital. Sharon Hospital had only an 87.2% average approval rate compared to Danbury Hospital's average approval rate of 99.8% and Norwalk Hospital's average approval rate of 97.3%. For the past three fiscal years, Sharon Hospital's approval rate for applicants seeking charity care ranged from 77.4% to 79.1%.

5. If you compare the charity care provided as a percentage of net patient revenue for FY2020, you find that Norwalk Hospital provided 6.6%, Danbury Hospital provided 3.6%, and Sharon Hospital provided only 0.4%. Had Sharon Hospital provided charity care equal to the average of Norwalk and Danbury Hospitals (or 5.1%), Sharon Hospital would have provided \$2,344,000 in charity care instead of \$193,277.

What these statistics fail to reveal is the number of people who decided not to seek medical care at Sharon Hospital because they could not obtain charity care or because the charity care would not have covered enough of the expected cost, an obstacle with potential adverse health consequences.

Nuvance offered no explanation for the significant decline in charity care over the past five years at Sharon Hospital, raising concerns regarding the specific policies and practices that led to the downturn. Were charity care policies changed and weakened at Sharon Hospital, or was the administration of these policies changed or not implemented by management? Further investigation and corrective action by OHS is mandated if Nuvance is to comply with the OHS Order and provide the charity care that is so essential to the health of our community.

Lastly, on December 14, 2021, Nuvance submitted a request (Docket No. 32504) to close the Sharon Hospital Intensive Care Unit ("ICU") without requiring a CON and replace it with a Progressive Care Unit. However, a Progressive Care Unit is not equivalent to an ICU, and therefore Nuvance should not be permitted to close the ICU. Any service cuts to the ICU, Maternity Unit, Surgical Service (as proposed in Nuvance's September 29, 2021, Transformation Plan) or any other service, conflict with the OHS Order.

We respectfully urge OHS to enforce the settlement of the Certificate of Need, Docket No.18-32238-CON. We look forward to (a) more substantial efforts on behalf of Nuvance to recruit and retain medical staff at Sharon Hospital, (b) a more detailed explanation for the significant decline in charity care at Sharon Hospital, and (c) a major expansion of the charity care program at Sharon Hospital.

Respectfully submitted,

Save Sharon Hospital, Inc.