

# **SAVE** **SHARON** **HOSPITAL**

May 6, 2022

VIA EMAIL AND OVERNIGHT MAIL

Kimberly Martone  
Deputy Director/Chief of Staff  
Office of Health Strategy  
P.O. Box 340308  
450 Capitol Avenue, MS#51OHS  
Hartford, CT 06134-0308

Re: Docket No. 22-32511-CON

Dear Ms. Martone,

Our organization, Save Sharon Hospital, Inc., has reviewed the responses to the first completeness letter submitted by Nuvance Health (“Nuvance”) on April 11, 2022. Please see our attached responses to Nuvance’s responses. Our attorney is separately compiling a list of further inquiries we are suggesting be sent to the applicant.

Sincerely,  
Save Sharon Hospital, Inc

Cc: Commissioner Victoria Veltri  
Steven Lazarus

**1. Page SH000151 of the Application states that Sharon Hospital had 210 deliveries during fiscal year 2021. Page 31 of the Application uses fiscal year 2020 as the most recently completed fiscal year. Please update all data and graphs in the Application through fiscal year 2021 as the most recently completed fiscal year.**

Nuvance states that it will save approximately \$3.0 million annually if labor and delivery (“L&D”) at Sharon Hospital is eliminated.

Attachment I in the Nuvance response shows the actual financial results for Sharon Hospital for FY2021 and Projected Pro Forma financial results for FY2023 and FY2024 with and without the results of the CON approval for the elimination of L&D.

The results of our analysis are as follows:

The results presented in Attachment I are completely erroneous due to the fact that in Columns 2, 4, 5 and 7, the Allowances and Charity Care are added to Gross Patient Revenue, instead of being subtracted. This results in significantly overstated Income from Operations. For example, the financial statements show projected income from operations of \$161.9 million without the CON and \$164.8 million with the CON in FY2023 - up from a loss of \$20.2 million in FY2021. Due to the magnitude of this error, any financial statement or assumption should be severely questioned, and these projections should be redone. Furthermore, a mistake of this magnitude indicates material weaknesses in overall financial management, financial controls, and procedures.

Further, there are several other problems in using these financial projections:

- a. While Nuvance has updated its actual financial results to FY2021, results from an earlier version of its financial results for FY2020 and the projected volume statistics for Inpatient Discharges and Outpatient Visits for 2023 and 2024, remain the same. Thus, projected Inpatient Discharges decline, without the CON, from 2,116 in FY2021 to 2,097 in FY2023 and increase slightly to 2,118 in FY2024; and Outpatient Visits, without the CON, basically stay the same from 58,217 in FY2021 to 58,492 in FY2023 and 58,492 in FY2024. These projections just don't make sense since the Gross Patient Revenue, without the CON, is projected to grow by 11.7% from 2021 to 2023 and 5.4% from 2023 to 2024. We would ask that a detailed justification be provided for these financial projections.
- b. There is no detailed schedule or justification provided for the projected income and expenses for the L&D shown in Column 3 or Column 6 for FY2023 and FY2024.
- c. We met with Nuvance's financial executives earlier this year, and we found and documented many mistakes in their financial analysis. Please see the attached letter published by the Lakeville Journal from Save Sharon Hospital on March 3, 2022, that outlines why Sharon Hospital did not suffer the financial losses that Nuvance has claimed (Appendix A).

Sharon Hospital claims that it lost \$20.235 million in FY2021. In our detailed examination of Sharon Hospital's FY2021 Income and Expenses, we found that several major items had to be added back to get a correct financial picture of Sharon Hospital. Specifically, the following are the income and expense categories that must be added back to reflect the true economic loss that Sharon Hospital experienced in FY2021.

(\$ in thousands)

|  |          |
|--|----------|
| CARES Act revenue for 2021, as estimated (1) | \$ 7,500 |
| System benefit, as stated (2)                | \$ 5,307 |
| Benefit for lab tests, as estimated (3)      | \$ 1,000 |

Adjustments to Sharon Hospital's FY2021 Net Income: \$13.807 million

Adjusted Economic Net Income (Loss) for Sharon Hospital for FY2021: (\$6.428 million)

(1) Sharon Hospital was not given economic credit for revenue received under the CARES Act

(2) System Benefits relate to procedures ordered by Sharon Hospital doctors but performed at other Nuvance facilities

(3) Sharon Hospital closed its lab facility, so tests ordered by Sharon Hospital doctors were performed at other Nuvance labs

d. Included in the enclosed materials is an analysis of L&D profitability for FY2019. There was no explanation of the Direct Costs other than that they were for nursing staff, allocations of salaries for on-call anesthesiologists, surgeons, and pediatricians, and other direct and allocated expenses. We have no way of verifying this information. Furthermore, it's not clear to us, even if L&D were eliminated, whether these costs would still remain and would still have to be covered.

e. Nuvance projects that there will be no loss in revenue as a reaction from the community when L&D is eliminated. We contend that this is an unrealistic assumption. The community is very upset about the recent moves by Nuvance in making its "Transformation Plan" at Sharon Hospital a reality, and this could lead to a substantial drop in revenue.

f. Per Nuvance's CON submission, its plans to provide "Reinvestment and expansion of other clinical services, such as behavioral health, primary care and outpatient services in the Sharon area will help address the more pressing concerns faced by the community." (Page 11)

Nuvance's financial projections do not show the incremental revenue and expenses for these activities; they should be included.

g. Nuvance's projected \$3 million annual loss for continuing to provide L&D is not material either for Sharon Hospital or for Nuvance's total operations – and this estimated loss should not be a reason for discontinuing such a critical service in our community.

**3. On page 31 of the Application, Sharon Hospital provided a table showing that 44% of women who gave birth in the most recently completed fiscal year delivered at another area hospital. Please update the graph to include fiscal year 2021 and separate out the other hospitals to show where women gave birth by percent and volume.**

There are several potential explanations for the 43% outmigration rate of birthing patients in 2020 and 48% in 2021, and all are due to Nuvance's actions/inactions:

1. The increased outmigration rate in 2021 is likely in response to Nuvance's announcement that it would close the maternity unit within a year (without OHS's approval to do so).
2. Nuvance is not promoting the exceptional birthing experience at Sharon Hospital effectively. Patient satisfaction in the birthing suites at Sharon Hospital is extremely high and the obstetrical care provided is exceptional per the recent American College of Obstetrics and Gynecology (ACOG) survey that Nuvance refuses to release publicly or to share with OHS. In fact, Nuvance internal data indicate that the Sharon Hospital birthing experience is the most highly rated of all its hospitals (again, information Nuvance has withheld from OHS). Nuvance is not advertising the Sharon Hospital L&D in a meaningful way, despite reporting \$19,000 in spending in 2019. Nuvance includes social media posts in its attachment N as proof of one avenue of promoting its services. But there are only six posts since August 2017 that mention the birthing suites at Sharon Hospital, all from 2019, of which only three actually promote them. This does not meet the standard of "commercially reasonable efforts" as required by CON 18-32238; indeed, it does not even constitute a good-faith effort to promote the birthing suites. A review of the totality of advertising cited by Nuvance indicates that the bulk occurred in just a five-month period in 2019, when hospital management made its one effort to work on marketing with a member of Save Sharon Hospital. Even that small effort may have had some benefit, as the total number of births for FY2020 rose to 214 from 197 in FY2019. Indeed, since Nuvance assumed management of Sharon Hospital, instead of touting the extraordinary safety ratings and high levels of positive outcomes and patient satisfaction around the Sharon Hospital birthing suites, it has promoted, both internally to hospital employees and externally to the community, a message of the OB unit's imminent closure.
3. The increased outmigration from Canaan, from 14% to 38%, is potentially, at least in part, attributable to Nuvance's failure to replace the longstanding primary care physician in Canaan who retired.

**4. The Applicant states on page 34 of the Application that "the Hospital has partnered with the Torrington federally qualified health center ('FQHC'), Community Health and Wellness, to launch a mobile medical unit...." Please describe the services this mobile medical unit will be providing.**

While we are thankful for the efforts that state and community organizations have made in organizing and implementing the Mobile Medical Unit, it cannot, unfortunately, fully replace the high-quality continuity of care that an established medical practice operating in the community provides. In the past, there was one primary care doctor in Cornwall, two in Kent, and one in Canaan. Taking nothing away from the Mobile Medical Unit's medical care, its lack of availability even at two days per week (and please note that it is now operating only one day a week in the Sharon Hospital parking lot) and inevitable staffing turnover will ensure a lack of continuity of primary care. Research has shown continuity of care to be essential in improving patient health outcomes and decreasing referrals, both of which lower overall healthcare costs. This "solution" also does nothing to support the obstetrical services offered in Sharon.

**6. Please clarify if the Financial Worksheet is for Sharon Hospital or for Nuvance Health. If it is for Sharon Hospital, please provide a financial worksheet for Nuvance Health as well.**

Nuvance did not provide the requested information and should be required to do so on a consolidated basis.

**9. Provide the labor and delivery service's quality measures, how they are evaluated, and how Sharon Hospital has been performing on these metrics over the past 3 fiscal years. Provide any and all supporting documentation such as policies, procedures or other rubric-containing forms.**

L&D at Sharon Hospital excels in many quality measures compared to other Nuvance hospitals. Nuvance should not be permitted to hide this data from OHS and the public. Its decision to present partial data—only data that supports its application to close Sharon's Ob service – distorts reality and trivializes the value of a service known for excellence to the community. Further, patient confidentiality would remain protected in a release of anonymous patient information that has been grouped into numerical data. OHS, please direct that Nuvance:

1. delineate the specific contractual language relied on for non-disclosure;
2. cite specific federal and state peer review protections relied on; and
3. explain the basis for claims that such protections preclude the release of the requested information.

**11. Please answer the following questions:**

**a. When did Sharon Hospital begin experiencing decreases in volume?**

The number of births decreased significantly in 2018: from 255 to 227. In the summer of 2018, the prior owner of Sharon Hospital, Health Quest, announced the closure of Sharon Hospital's birthing suites within a month. It is likely that the fall in births was a direct result of this announcement. Until Sharon Hospital's owner started saying publicly in 2018 that the birthing suites would close, births in Sharon averaged roughly 240 a year for the previous decade, and that number had been on an upward trajectory since the new birthing suites were opened in 2007. The abrupt announcement of closure in the summer of 2018 by Sharon Hospital's previous owner shook the community, and Nuvance in its responses to OHS has shown it has made only minimal and unconvincing efforts to shore up confidence and attract young families to this high-quality experience.

**12. Specific to labor and delivery services, describe what efforts Sharon Hospital has made to obtain new patients and retain its current patient population. For any marketing campaigns or other related efforts, please state the approximate cost of each.**

In Nuvance's response, it specifically describes and shows examples of a few advertisements for maternity over five months in 2019 but none during 2020, 2021, or 2022. The omission suggests an absence of advertising. In describing the costs of its marketing efforts, Nuvance reports: "The annual total media spend for the past three years for promotion of Sharon Hospital, which also includes any obstetrics program promotion..." In other words, Nuvance fails to report the amount it spent on advertising for L&D specifically (as requested in the question) in 2020, 2021, or 2022. OHS, please request that Nuvance share its expenditure on advertising for obstetrics at Sharon Hospital in 2020, 2021, and 2022. Additionally, it would be interesting to compare the amount Nuvance spent on advertising for the Sharon Hospital birthing suites compared to that for birthing suites at its other hospitals.

**13. According to the Application, Sharon Hospital has struggled to hire or credential physicians to appropriately staff the labor and delivery department. With that in mind, please do the following for the past 5 years:**

**a. Provide a detailed description of the efforts Sharon Hospital has undertaken to recruit labor and delivery physicians;**

Nuvance has been particularly unsuccessful at recruiting health professionals to the Sharon area. Since taking over in 2019, it has been unable to hire a new full-time obstetrician. This may not so much reflect an inability to recruit OB providers to the area as expose the result of Nuvance's repeatedly stated intention over a two-year period, publicly and internally, to close L&D. In contrast, the community obstetrics and gynecology group successfully recruited a highly experienced new physician, who started at the beginning of 2022. Nuvance was not helpful with this recruitment, despite its claims in its answer that it was supportive. Indeed, Nuvance specifically refused to provide a recruitment loan or offer a two-year income guarantee to the practice, as allowed under federal guidelines, to aid in this recruitment.

**b. Provide a detailed description of the efforts Sharon Hospital has undertaken to retain its existing labor and delivery physicians;**

Nuvance has also been unsuccessful at retaining physicians in the Sharon area. Although it reports "competitive compensation, as well as comprehensive benefits," OHS should consider evaluating the many young providers in internal medicine and other specialty areas hired by Nuvance who have subsequently left the Sharon area to confirm that its package is not helpful in retention.

**d. Provide any additional documentation, such as job postings and outsourcing recruitment contracts, that Sharon Hospital utilized to recruit labor and delivery physicians;**

Nuvance states that it did not hire a recruitment firm to assist with the hiring of physicians. A good question would be, why not? If it was having difficulty hiring but had actually planned on keeping the maternity unit open indefinitely, it should have pursued all options in hiring physicians, including the use of a recruitment firm. Recruiting firms are or often used as standard practice when recruiting for large medical corporations and small practices.

**15. According to the Application, Sharon Hospital has struggled to hire or appropriately staff the labor and delivery department with non-physician clinical staff. With that in mind, please do the following for the past 5 years:**

**a. Provide a detailed description of the efforts Sharon Hospital has undertaken to recruit non-physician clinical staff for labor and delivery; b. Provide a detailed description of the efforts Sharon Hospital has undertaken to retain its non-physician clinical staff for labor and delivery;**

Rather than try to hire and appropriately staff the L&D unit, Nuvance has created a difficult work environment by continually announcing, beginning in November 2020, the imminent closure of the unit. At that time, the president of Sharon Hospital, Dr. Mark Hirko, announced to the nurses in the OB unit that the unit would close in the near future. Nurses who have since left and are no longer affiliated with Nuvance would likely be happy to corroborate this timing if requested by OHS. Since 2017, the majority of the original full-time nurses have quit, although ironically some of these nurses have taken per diem shifts at Sharon Hospital to fill the scheduling gaps left by their own departures, at much greater cost to Nuvance. Prior to Health Quest's announcement in 2018, followed by Dr. Hirko's repeated message of closure in 2020 to the unit's staff, there had been a history of longevity of employment with the nursing and ancillary staff of the unit.

**17. Provide a detailed description of what Nuvance Health System has done to:**

*a. Avoid the closure of Sharon Hospital's labor and delivery department; and*

The Hospital should have supported recruitment efforts to expand the availability of physicians and should have advertised extensively based on the high quality and satisfaction ratings of L&D at Sharon Hospital. Instead, despite Nuvance's assertions, it has not made a significant effort to support L&D and explore alternatives to closure. For example, what has Nuvance done to coordinate with either the Connecticut or New York state legislatures to request enhanced reimbursement for obstetrics services? In addition, has Nuvance considered the significant role that philanthropy could play to keep obstetrics solvent? Sharon Hospital is in a very affluent area; during the pandemic, Sharon Hospital was able to raise \$2,000,000 in a matter of a few months with little advertising.

*b. Help Sharon Hospital reduce risk of closure.*

As stated earlier in this document, Nuvance's financial assertions are unreliable, based on the many errors it has reported. Nuvance should therefore be required by OHS to have an independent forensic accountant evaluate its finances.

**18. Sharon Hospital has made announcements disclosing to the public that the labor and delivery services will be closing. With that in mind, please provide the following information:**

While Nuvance "regrets that program communications have gone out which suggest a closing date has already been determined, which is not the case, or which may not have fully conveyed that any closure will only be done in accordance with state law," it did send these communications and should be required to repair the damage and address the confusion and dismay caused to patients. We continue to request that OHS require that Nuvance send retraction letters to all pregnant women who received prior correspondence from Nuvance stating that "Sharon Hospital will be closing the maternity unit in late spring/summer 2022" (See Appendix C), as well as publish this retraction statement on its website and via social media and local newspapers.

**19. If the CON is approved and Sharon Hospital's labor and delivery program is terminated, describe in step-by-step detail, or nearly step-by-step detail, the protocols that will be followed when:**

**a. a patient who is in labor presents at the hospital;**

The first part of our response to Nuvance's remarks for this question is provided by Dr. Jorge Otero, an emergency medicine physician who practices in the Sharon Hospital emergency department as part of TeamHealth:

"Given the requirements of the Emergency Medical Treatment & Labor Act (EMTALA), it is not feasible to deliver babies when someone presents to the emergency department in labor if the maternity unit is not open with board-certified and trained obstetricians on hand. Sharon Hospital cannot rely upon and advertise to the community that untrained emergency physicians can stabilize and transfer patients requiring labor and delivery. It is a risk for the life of the patient and the unborn child. Sharon Hospital must continue to supply obstetrical care, as it cannot transfer patients in active labor, especially if it is a complicated labor with unknown pre-term care, to other facilities with L&D departments, for this would constitute a violation of EMTALA.

EMTALA requires Medicare-participating hospitals (including critical access hospitals) to perform the following:

- a. Provide medical screening examinations to every individual, including women in labor, their unborn child(ren), and newly born infants protected by the Born-Alive Infant Protection Act when they present for care to dedicated emergency departments, which include labor and delivery departments or other locations on the hospital campus;
- b. Provide stabilizing treatment within the hospital's capabilities to any individual, including a born-alive infant, with an emergency medical condition;
- c. If unable to stabilize the emergency medical condition, arrange for an appropriate transfer to another hospital with specialized services for the necessary stabilizing treatment; and,
- d. Accept appropriate transfers of patients with unstable emergency medical conditions if the hospital has the capabilities and capacity to provide necessary stabilizing treatment.

EMTALA protections start for an infant at the time of birth. A newly born infant is presumed to be presenting with an emergency medical condition and requires a medical screening examination to determine the necessary stabilizing treatment. EMTALA requires physicians and other qualified practitioners to provide care within nationally accepted standards of practice.

As long as an infant has an unstabilized emergency medical condition that needs stabilizing treatment, EMTALA continues to apply. If the hospital can stabilize the emergency medical condition, it is required to do so. If not, the hospital must arrange an appropriate infant transfer to a hospital with specialized capabilities and capacity while providing care until the transfer is effectuated. Once the infant is admitted in good faith to stabilize the emergency medical condition, EMTALA no longer applies. The Centers for Medicare & Medicaid Services (CMS) hospital or critical access hospital Conditions of Participation apply throughout the hospital stay.

Emergency physicians at Sharon Hospital work only as a single coverage and must tend to many patients. These physicians are not employed by Nuvance but by TeamHealth. It is unclear if TeamHealth, the company utilized by Nuvance to manage the emergency department, is willing to take



the unnecessary risk and be subject to malpractice lawsuits due to care by unqualified providers. The emergency physicians at Sharon Hospital cannot be obligated to risk their medical licenses and be subject to a malpractice lawsuit resulting from a hospital's elimination of services such as OB and intensive care, as initially conveyed by the CEO to the medical staff in 2021.

The intention to implement these initiatives, which would provide mediocre, last-minute training to emergency physicians at Sharon Hospital, was not conveyed to the community—shocking, given that the hospital almost meets critical access criteria and is not even reasonably close to another L&D service. OHS must address the false expectations and risks to patients, infants, and families represented by this proposed plan.”

-Jorge Otero, MD, MSc, RDMS  
Emergency Department - Sharon Hospital  
Past President Connecticut Chapter of ACEP (American College of Emergency Physicians)  
Assistant Clinical Professor of Medicine  
Yale University School of Medicine

In addition, Nuvance is planning to discontinue surgical services outside of normal business hours, as Nuvance claims that the cost of maintaining after-hours surgery is too expensive; how can an ER operate adequately if there is no surgeon available in the event of an emergency?

In spite of Nuvance's intentions, after a brief two-day course, the emergency physicians will be underqualified to deliver babies, especially if the baby has shoulder dystocia, breech presentation, or if there is maternal hemorrhaging (which can occur in any trimester, at the delivery, and immediately postpartum). Beyond the simulation-based training, have emergency department physicians assisted in live births? Even if the two-day course was equivalent to a five-year OB/GYN residency, the Sharon Hospital emergency department has frequent doctor turnover. Is it logistically possible to thoroughly train every doctor and ensure they take the course prior to their start date? In addition, since training must be updated every few years, is there a provision for required staff training updates? In terms of being prepared for actual obstetrical emergencies, the ER physicians and providers will be undertrained to assist, for example, with a shoulder dystocia, and will be unable to perform a cesarean section within the time frame currently mandated at Sharon Hospital, because there will be no one qualified to perform this surgery during the day unless a general surgeon agrees to do this emergently. And with the pending closure of the ORs in the evenings, there will be absolutely no way that a lifesaving cesarean section could be performed in an emergency situation overnight.

Despite Sharon Hospital's location in the rural Northwest Corner of Connecticut, Nuvance states that, if its L&D unit is closed, it is nonetheless highly unlikely that patients would deliver in the emergency room. It is, in fact, highly likely that they will deliver in the emergency room. Multiple factors contribute to this likelihood:

1. There are members of the community who, despite Nuvance's best intentions of informing the community of the closure, will continue to show up in labor due to lack of knowledge.
2. Families will present to Sharon Hospital in labor because other hospitals are too far away.
3. Even the best-informed ambulance squads will have to make the decision to stop at Sharon hospital either because of inclement weather or because they are needed for another local emergency and cannot manage the two-hour round trip to Danbury Hospital and back. Nuvance

has no policies to ensure an adequate number of ambulances for local volunteer departments and sufficient staffing to deal with these issues.

4. In many rural hospitals, there is a neonatologist and an OB on call for just such emergencies, but Nuvance has no provision for this other than to transfer a patient to a hospital an hour away which would often mean a two to six hour time span to organize a transport and get the mother/fetus couplet to care, during which time the mother and/or baby could die.
5. Nuvance does not mention that when a laboring patient presents to the Sharon ER, other hospitals may not accept a transfer if they fear that the mother/baby couplet is at risk of delivering during transit from Sharon Hospital to the accepting hospital. In these cases, the very sickest and most imminent deliveries will need to be kept at Sharon Hospital until delivery by the under-experienced and undertrained ER staff, and then maintained by the same team until a transport is arranged. The "OB Alert" in attachment R assumes that all transports will be accepted but fails to report that the fastest turnaround time for transfers would still be at least three hours, including time for:
  1. assessment in the ER;
  2. physicians relaying information across hospitals;
  3. arrangement of a neonatal transport team with an ambulance that will then have to drive an hour to Sharon (presuming that a neonatal transport team would be included for emergent transfers, as there is no mention of a neonatal transport team in the current transfer plan in attachment R);
  4. transport team accepting the laboring patient from the Sharon Hospital ER
  5. driving another hour back to Danbury.

There is also certainly a risk of transporting a mother/fetus with an undertrained ER physician and no neonatal team in an ambulance for an hour with an impending delivery, if these steps were to be avoided.

Additionally, what kind of model is Nuvance's draft proposal in Attachment R based on? Are these proven, tested protocols? Has ACOG evaluated this or similar models for other rural hospitals? If not, should ACOG have input on this proposal? Have the emergency physicians, obstetricians, and pediatricians been involved in drafting the transfer plan in Attachment R? What type of criteria would determine whether a patient is deemed to be in an emergency situation, and if it is decided that the patient is stable for transfer to another hospital, what happens if there is an emergency en route?

**20. Please provide copies of the transportation policies and procedures that Sharon Hospital intends to adhere to if the CON is approved. In addition, describe the transportation plan the hospital intends to implement by providing, at a minimum, responses to the following questions:**

- a. How will patients access these transportation services?**
- b. How long will transportation services be provided after the termination of labor and delivery services?**
- c. Who will be absorbing the cost of transportation?**
- d. What is the projected cost of the transportation on an annual basis?**

Nuvance's assumption of its ability to provide the safe transfer of laboring patients seems to underlie its argument for closing the birthing suites at Sharon Hospital. Therefore, its application to close this

necessary unit should not be considered until a final transportation plan is in place and can be carefully considered by OHS and potentially ACOG.

**21. Interstate travel has the potential to affect costs, accessibility, insurance coverage, etc. With that in mind:**

**a. What are Sharon Hospital's plans regarding transporting a patient out-of-state for labor and delivery to a different Nuvance Health facility or other unaffiliated facility?**

In its response, Nuvance does not account for the pregnant women in our community who do not have prenatal care (and are therefore at the highest risk of birthing complications). Nor does it account for pregnant women who travel to our area for vacation. These women would not have prepared a birthing plan with one of the local providers to travel the long distance to the next closest hospital with a L&D unit.

**22. The Applicant indicated that the closure of the labor and delivery department will improve Sharon Hospital's financial viability by \$3 million. Provide a detailed description on how Sharon Hospital plans to use the \$3 million given the fact that the Hospital purports to be at high-risk for closing but at the same time is looking to expand women's health services, primary care, and behavioral health.**

Nuvance does not provide a "detailed description" of its plans for the \$3 million and does not describe how it would be able to expand services such as women's health with this money, despite OHS specifically asking for details.

**23. Over the past 5 years, has there been an increase in the number of shifts that each of the following in the labor and delivery program have been expected to cover at Sharon Hospital, and if so, please provide details: (1) physicians; (2) non-physician clinical staff; and (3) other professional staff.**

According to the community obstetricians, they are not currently overwhelmed by the demands of call coverage. They are currently on call one in every four days and use per diem physicians for vacations to keep the schedule at this rate. In fact, if the OBs' call schedule were to become unmanageable, they could use one of the per diem physicians to lighten the schedule. At present, they choose not to.

**24. What has Sharon Hospital and/or Nuvance Health done, if anything, to engage with residency programs for the purpose of obtaining additional labor and delivery call coverage?**

Although resident physicians are unable to provide call coverage without an attending present, fellow physicians (doctors who have completed their residency and are furthering their subspecialist education) can. Please consider asking Nuvance whether it has done anything to engage medical institutions with fellows for the purpose of obtaining additional labor and delivery call coverage.

**25. What has Sharon Hospital and/or Nuvance Health done, if anything, to secure grants or other awarded funding for purposes of financially supporting the labor and delivery program at Sharon Hospital?**

The philanthropic community in the Sharon area have approached Nuvance to come to the table and discuss the possibility of initiating a multi-million-dollar charitable effort to support the Sharon Hospital's labor and delivery program. Nuvance and members of the Sharon Hospital advisory board have rebuffed these overtures. While Nuvance claims that philanthropy is not a viable approach and won't fund ongoing services or cover financial losses, Save Sharon Hospital believes, based on preliminary discussions with community members, that this assessment is unfounded. We ask that OHS press this point and note that Nuvance has not considered all options— or really any options except closure.

OHS has given Nuvance an opportunity to demonstrate that it has seriously considered options other than closure, but Nuvance has failed to provide evidence that it has. Indeed, all substantive points of the Minutes of its board and committee meetings have been redacted. As community members who have attempted to participate in substantive discussions with Nuvance officials, we can attest that no such discussion of alternatives has occurred publicly. The "consultation" Nuvance and Sharon Hospital has conducted with the public has consisted of repeated efforts to press its argument that to keep Sharon Hospital viable, labor and delivery must close, the ICU must be downgraded, and after-hours surgery at Sharon Hospital must end. Nuvance did agree to participate in meetings with two financial experts from Save Sharon Hospital to review specific questions related to its financial filings. In those discussions, Nuvance admitted that, for the past several years, it had substantially overstated losses and that it had failed to recognize income that would have bolstered Sharon Hospital's bottom line. In addition, specific L&D direct costs and related overhead expenses appear to have been overstated. It is difficult to avoid the conclusion that Nuvance is creating facts to fit the story it wants to tell rather than making good faith efforts to maintain a full-service rural hospital.

**27. Has Sharon Hospital and/or Nuvance Health referred and/or diverted any labor and deliveries to other facilities over the past 5 years, and if so, state:**

- a. The number of referrals/diversions per annum; and**
- b. The reasons for any such referrals and/or diversions.**

We would once again like to point out Appendix B, which is a letter that Nuvance sent to pregnant patients informing them that "Sharon Hospital will be closing the maternity unit in late spring/summer 2022." By this action, Nuvance Health in effect referred all pregnant women receiving this letter to other hospitals.

**28. Has Sharon Hospital's labor and delivery unit undergone a review by the American College of Obstetrics and Gynecology ("ACOG") in the past 5 years, and if so, what were the results of any such review(s)? If a report was generated, please provide a copy of that report.**

OHS, please require that Nuvance delineate the specific contractual language relied on for non-disclosure, cite specific federal and state peer view protections relied on, and explain the basis for claims that such protections preclude the release of the requested information.

## Appendix A

Letter published in the Lakeville Journal on March 3, 2022

Nuvance Health wants to eliminate maternity, replace the ICU with a lower intensity unit and discontinue after-hours surgery at Sharon Hospital. The elimination of these vital services would have devastating impacts on our community. Alarmingly, without waiting for the required approval by the Office of Health Strategy (OHS), its state regulator, Nuvance has already taken major steps in its “transformation” plan, claiming it must -because Sharon Hospital has lost approximately \$41 million over the past five years.

My colleagues and I, from Save Sharon Hospital, Inc. a local nonprofit formed to preserve Sharon Hospital as a full-service hospital, have examined Nuvance’s publicly available financial statements and the consulting report Nuvance commissioned from Stroudwater Associates in 2021. We also met with Nuvance management. As a result, we can state conclusively that Sharon Hospital did NOT lose \$41 million over the past five years. In fact, its losses were considerably less and it is possible that Sharon Hospital’s operations may have broken even.

When decisions of this gravity are made based on the numbers being reported, it is vital to the public interest to examine the financial accounting in detail. Our analysis found that the Stroudwater report showed that in 2019, Sharon Hospital should have been given a systems credit for \$5.3 million in procedures ordered at Sharon Hospital but performed at other Nuvance hospitals; in addition, \$1 million in tests should also have been credited because Nuvance had closed the lab at Sharon. Projecting these credits for the four other years provides an additional savings benefit of \$25.2 million. We also found that Nuvance did not credit Sharon Hospital with the CARES Act benefit of \$7.5 million and charged Sharon Hospital \$5 million in one-time reimbursement for prior years’ corporate overhead expenses in 2021. These overhead expenses were not fully explained to us nor, in our view, supported.

When we presented our preliminary analysis to Nuvance, they acknowledged that the stated losses of \$41 million should be reduced by \$10.5 million or by 26% in system benefits. This supports our contention that the losses were dramatically overstated. We believe that Nuvance’s stated losses are still too high and that the benefits contributed by Sharon Hospital to Nuvance are still considerably understated. Only a detailed independent forensic audit would truly ascertain the correct number.

My background is in corporate finance and my associates are also financial experts: a retired partner from a “big four” public accounting firm and an experienced business executive. Given our findings, Nuvance’s decision to close and curtail Sharon Hospital’s essential services is wrong, based on a fundamentally flawed analysis.

We urge everyone to email OHS at [ohs@ct.gov](mailto:ohs@ct.gov) and contact your local elected representatives to oppose these cuts in service.

We have engaged a healthcare lawyer, and we will continue to keep local residents informed, and in turn, we ask for your financial and moral support.

Sincerely,  
Victor Germack  
Save Sharon Hospital, Inc.  
P.O. Box 475  
Sharon, CT 06069  
[www.savesharonhospital.org](http://www.savesharonhospital.org)  
Facebook: @savesharonhospital

## Appendix B



Sharon Hospital  
Birthing Suites  
50 Hospital Hill Rd  
Sharon, CT 06069  
  
O (860) 364 4238  
F (860) 364 4020

Candy.osborn@nuvancehealth.org

### **Congratulations on the addition to your family!**

Whether this is your first baby or your tenth, each pregnancy is a unique and exciting experience. We are so glad to be a part of this exciting time in your life! Feel free to reach out to us anytime you have questions. You may have heard that Sharon Hospital will be closing the maternity unit in late spring/summer 2022, but we are here for you until then. If you have any questions about this transition, reach out to [sharonhospital@nuvancehealth.org](mailto:sharonhospital@nuvancehealth.org)

We encourage you to take a tour of the Birthing Suites and sign up for any or all of our prenatal classes offered. We ask that you [call 860-364-4238](tel:860-364-4238) or [email candy.osborn@nuvancehealth.org](mailto:candy.osborn@nuvancehealth.org) to sign up for a tour or any of the classes offered. You will receive a personal email to join a zoom meeting for any of the options you choose. We are offering the following virtual educational classes:

**Birthing Suites Tour:** Recommended for anyone considering delivery at Sharon Hospital. Offered most days-let us know what works for you and we will try to accommodate your schedule. Tours are held at 9am, 11am, 1pm and 3pm and last approximately 30 minutes. We are here for you and willing to answer your questions.

**Childbirth Education:** Recommended for expectant women and their partners to prepare for the birth of their child. Held monthly and lasts approximately 2 hours. Cost \$20

**Cesarean Birth Preparation:** if your doctor has told you to prepare for a cesarean birth, this is the class for you. It is held on an as needed basis so call for the next available date/time. Lasts approximately 1 hour.

**Prenatal Breastfeeding Consultation:** Recommended for expectant women and their partners who are planning to breastfeed their newborn. Schedule a session with a lactation consultant during your pregnancy as you prepare for your baby to breastfeed. In general, we schedule this class in the last trimester. Lasts approximately 1 hour.

**Baby Basics:** Covers the basics of newborn care including: Baby Care; Normal Newborn Appearance; Swaddling and soothing your infant; Shaken Baby Syndrome; Breastfeeding, Bottle feeding; Safe Sleep; Car Seats; & When to call your doctor. Held monthly and lasts approximately 1 hour.

**Prenatal Lunch Bunch:** ongoing prenatal support group for expectant women. Have questions about your pregnancy, upcoming hospital stay or just want to meet the staff at the Birthing Suites? Stop by every Thursday from 12-1pm on Zoom to get your questions answered by a member of the staff! Go to [zoom.us](https://zoom.us) and enter Meeting ID: 919 8228 2865 Passcode: 943457

**Breastfeeding support group:** ongoing support group for breastfeeding mothers and children up to 1 year. Group meets every Tuesday at 10am on Zoom and is led by a certified lactation counselor. Go to [zoom.us](https://zoom.us) and enter Meeting ID: 814 0671 8466 Passcode: Sharon

Sincerely,

Candy Osborn, BSN, RNC-OB, E-EFM  
Charge Nurse  
Birthing Suites

