

Attorney General and Seacoast hospitals disagree over proposed affiliation transaction

(September 20, 2019) Exeter Health Resources, Wentworth-Douglass Hospital and Massachusetts General Hospital were advised earlier this week by New Hampshire Attorney General, Gordon MacDonald, that his Office plans to formally object to the proposed affiliation between the entities based on antitrust concerns identified as part of the Attorney General’s initial review of the transaction. In a meeting with the hospitals, the Attorney General made it clear that his Office is continuing the investigation and is committed to further dialogue regarding these concerns.

The parties welcome the opportunity for ongoing discussions with the Attorney General and to continue to provide information. We expect, ultimately, to be able to demonstrate the many benefits of this transaction and that the concerns of the Attorney General’s Office are wholly unfounded.

The proposed affiliation, which enjoys overwhelming public support, is designed to increase local access to high-quality specialized care while taking advantage of cost efficiencies associated with participating in a larger system. The proposal to form a new, NH-based, not-for-profit healthcare network would allow Seacoast residents to access more specialty services closer to home and would provide seamless access to Massachusetts General Hospital when a higher level of care is necessary.

“The proposed affiliation is critical to ensuring the long-term sustainability of local, high quality not-for-profit healthcare services in the Seacoast Region for generations to come,” said Kevin Callahan, president and CEO of Exeter Health Resources. “Each of our individual organizations is committed to this critical mission and it is consistent with the mission, vision and values of each organization. We will be able to bring more care to the Seacoast than any of us could do on our own.”

Wentworth-Douglass Hospital, which joined the Massachusetts General Hospital family three years ago, has already experienced millions of dollars in savings while bringing increased access to high-quality specialized services to its patients including a substantial investment in behavioral health services that amounts to millions of dollars per year. To support these services and programs, Wentworth-Douglass has added more than 300 new jobs.

Moreover, a combined Wentworth-Douglass and Exeter Health Resources network could offer even more specialized services. The proposal, for example, provides for the establishment of a Level II Neonatal Nursery. Currently, newborns needing this level of care must be transferred long distances and mothers and babies are often separated for days or weeks. The proposal also includes a significant investment in behavioral health and substance use disorder treatment intended to address both the

opioid crisis and the backlog of patients currently being held in hospital emergency rooms. All of which will be lost if we are unable to complete our affiliation.

“The collaboration between Wentworth-Douglass and Mass General has meant more expert, trusted care available here locally, said Gregory Walker, president & CEO of Wentworth-Douglass Hospital. “The proposed affiliation will only help to bring even more services to the communities we serve.”

The rejection of this affiliation would not only deny Seacoast residents these benefits, but worse, would jeopardize the long-term sustainability of Exeter Health Resources. This is especially concerning given the current proposal by a for-profit corporation to purchase Frisbie Memorial Hospital in nearby Rochester, NH, giving them ownership of three for-profit hospitals in the greater Seacoast Region. The approval of our affiliation will ensure a viable and sustainable alternative to for-profit healthcare on the NH Seacoast.

“We are optimistic that the parties can continue to have an open dialogue with the regulators or government officials about this important affiliation,” said Peter L. Slavin, MD, MGH president. “We remain fully committed to seeing this transaction through and are confident that the Attorney General’s Office will ultimately determine that our affiliation will pass antitrust review based on the thorough review that the expert economists have completed on this proposal. We look forward to continuing to enhance quality healthcare in the Seacoast Region.”

For more information on our proposed affiliation please visit www.seacoasthealthcareinitiative.org.

ABOUT THE PARTIES:

Exeter Health Resources consists of three operating affiliates, Exeter Hospital, Core Physicians and Rockingham Visiting Nurse Association & Hospice that together employ more than 2,300 staff members. Exeter Hospital is a not-for-profit, charitable 100 bed, community-based acute care hospital, originally opened in 1897 with just a few beds, and now provides sophisticated services such as cardiac catheterization and extensive outpatient programs in surgery, and radiation and medical oncology. Exeter Hospital was awarded the highly coveted Magnet® designation in 2015 for its excellence in nursing practices and was re-designated in April 2018. The healthcare system has been recognized for ten years by the American Hospital Association’s Health Forum as a “Most Wired” organization. Core Physicians is a community-based, multi-specialty group practice affiliated with Exeter Health Resources. Over 140 physicians and other clinicians in more than 25 locations within the service area offer services in primary care, pediatrics, orthopedics, gastroenterology and many other medical and surgical specialties. Rockingham Visiting Nurse Association & Hospice is a community based non-profit home health and hospice agency that provides services throughout Rockingham County and into Strafford County.

Wentworth-Douglass Hospital is a not-for-profit charitable health care organization located in Dover, New Hampshire with a 110-year history of compassionate care and innovation. Serving the Seacoast communities since 1906, it is a family of 3,000 employees including 500+ registered nurses and a medical staff of over 480 physicians and advanced practitioners dedicated to the health, safety and well-being of residents and visitors to the Seacoast area of New Hampshire and Southern Maine. Wentworth-Douglass Hospital was awarded Magnet® designation in

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2016, joined the Massachusetts General Hospital family in 2017 and includes a 178-bed hospital, several urgent care and walk-in facilities, multiple testing centers, Wentworth Health Partners (primary and specialty provider practices), The Works Family Health and Fitness Center and the Wentworth-Douglass Foundation.

Massachusetts General Hospital, founded in 1811, is the third oldest hospital in the nation and the original and largest teaching hospital of Harvard Medical School. The 1,035-bed academic medical center each year admits more than 50,000 patients, records more than 1.7 million outpatient visits at its main campus and health centers, sees nearly 110,000 patients in its Emergency Department and delivers nearly 3,900 babies. The largest nongovernment employer in Boston, the MGH has more than 26,000 employees, including more than 5,000 nurses and nearly 3,000 physicians. For more than two centuries, the MGH has been a leader in bridging innovative science with advanced clinical care. MGH is home to the nation's largest hospital-based research program, the MGH Research Institute, with an annual budget of more than \$925 million. For more information about the MGH visit www.massgeneral.org.

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