

NORTH SHORE MEDICAL CENTER

Introduction

North Shore Medical Center (NSMC) is a multi-site, integrated, community health system located twenty miles north of Boston with two acute care hospital campuses:

NSMC Salem Hospital, located in Salem with 267 beds, provides a full range of adult and children's care including medical, surgical, emergency, ambulatory, obstetrical, neonatal, psychiatry and substance abuse services. Like Union Hospital, Salem Hospital is also part of NSMC's regional system, which, in collaboration with the academic medical centers of Partners HealthCare, has dedicated multi-disciplinary Centers of Excellence, including the NSMC Heart Center, the NSMC Cancer Center, the NSMC Women's Center and the NSMC North Shore Children's Hospital.

NSMC Union Hospital, located in Lynn with 147 beds, provides adult medical and surgical care including emergency, ambulatory, cardiology, oncology, orthopedic and geriatric psychiatry services as well as offering a pain clinic and advanced minimally invasive procedures for residents of Lynn and surrounding communities.

This Community Benefit Report is based on NSMC's activities during FY2004, a truly remarkable year for the organization. In early 2004, after seven years of operation as separate entities under one common parent, Salem and Union hospitals became integrated as one licensed hospital with one medical staff, one leadership team and one governing board. Community benefit activities and processes were a major focus in the integration process; as demonstration of the new Board's commitment to strengthened community involvement in improving health care for the underserved, a new Board level committee, the Community Affairs and Health Access Committee, was created. This Committee is comprised of current NSMC Trustees, members of the medical staff and community leaders. Its mandate is to oversee the community benefit activities of NSMC throughout the communities it serves. .

In line with the changes in NSMC governance and community benefit structure, the form of this year's Community Benefit Report also changes. No longer will reporting be divided into three parts, i.e. regional, Salem and Lynn, with spending data kept on a hospital-by-hospital basis. Rather, the community benefit activities of NSMC will be described as they are now are – a unified effort guided from the highest level of the newly integrated organization with programs and spending directed throughout the service area in line with prioritized health needs.

Mission Statement

The community commitment shared throughout NSMC entities has not changed since 1998 when the Board of Trustees of NSMC adopted the following community benefit mission statement:

NSMC, through its Community Benefit Program, works with residents and organizations within its service region in order to achieve and sustain measurable improvements in the population's health status, and particularly that of the underserved. It seeks to improve the health status of the communities through collaboration with community stakeholders to enhance existing programs and develop new programs to respond to the health care needs of priority populations.

Internal Oversight and Management of Community Benefits Program

Community benefit management staff report to the NSMC Senior Vice President for Strategy, Marketing and Community Relations and participate regularly with the clinical and administrative leadership teams throughout NSMC entities. During 2004, community benefit management was instrumental in establishing the new Community Affairs and Health Access Committee of the NSMC Board. This new Committee, which will be described more fully later in this report, was established to strengthen community participation in and provide oversight for the community benefit process at NSMC. It will be involved in establishing community benefit priorities and reviewing the department budget on a yearly basis, and will report annually on its activities to the full NSMC Board.

The NSMC community benefit team also works closely with the Community Benefit Department of Partners HealthCare, participates in the NSMC External Affairs Committee, and works with the communications department of NSMC to ensure that information about community needs and community benefit efforts and accomplishments are recognized throughout NSMC.

Community Participation and Health Needs Assessment

NSMC's primary service area includes Danvers, Lynn, Lynnfield, Marblehead, Nahant, Peabody, Salem, Saugus, and Swampscott. NSMC's needs assessment for each of these communities includes an annual review of health status indicators from the Massachusetts Department of Public Health, ongoing participation in the regional Department of Public Health Community Health Network Area (CHNA) and elder service organizations, and ongoing consultation with community providers, advocacy groups and local agencies in each of the cities and towns in the service area.

Depending on the level of unmet needs in a community, NSMC's health needs assessment process will extend far beyond the monitoring and assessing of publicly available health data. Traditionally, Salem, Peabody and Lynn have been the neediest of these communities and therefore much of the community benefit process has been focused there. But even among these three communities, NSMC has had what was essentially a two-pronged community participation and health needs assessment process: one for Lynn and one for other communities in the service area. The process in Lynn, which is by far the largest and neediest community served by NSMC, was focused on the 13 Determination of Need (DoN) conditions related to the Union Hospital/NSMC merger in 1997. The Lynn Health Task Force, by virtue of its position as the 10 Taxpayer Group in the DoN process and in recognition of its unparalleled experience in advocating for the underserved in Lynn, drove that process on behalf of the Lynn community. The process and level of community participation in Salem and the other communities, on the other hand, was much less structured.

With the integration of Union and Salem Hospitals, NSMC saw an opportunity, through the creation of a new Community Affairs and Health Access Committee ("the Committee"), to strengthen the highly evolved community relationships with the Lynn Health Task Force and other community partners in Lynn and to expand similar connections throughout the service area. Much care was given to ensuring that the initial membership of the Committee was comprised so as to accomplish these goals.

There are 14 members of the Committee. Three are NSMC Trustees; three were recommended by the Lynn Health Task Force; and the others are prominent community leaders, including former city leaders and community agency heads, with whom NSMC had built relationships and who bring strong experience in advocating for the needs of the underserved. (It is worth noting that in addition to the three members recommended by the Task Force, two of the other initial members of this Committee are individuals who were recommended by the Task Force seven years ago to serve on the Union Hospital Board; one of them is now an NSMC Trustee and serves as Vice-Chair of the Committee).

The Committee came together as an energetic, diverse and committed group; it met four times during its inaugural year and set as one of its first priorities the performance of a needs assessment for Salem. That assessment will be complete during 2005. In the meantime, the Task Force, through its several working groups with NSMC, continues to identify evolving needs that apply not only in Lynn, but throughout the service area. Additionally, NSMC continues its close work with a wide array of community-based organizations.

NSMC also inaugurated, during 2004, two other practices to demonstrate its commitment to be responsive to the communities it serves. First, it produced its first Annual Report to the Community, a comprehensive publication affirming the priority of NSMC's mission to address the needs of the communities it serves and describing its recent accomplishments in doing so. In addition to reporting on certain patient statistics and the financial health of the organization, the Report describes notable advances in clinical programs, provides insight into future strategic initiatives and highlights recent achievements of NSMC community members.

Second, on March 18, NSMC sponsored the first Annual Report to the Community event. This event, which was attended by 175 individuals, provided an opportunity for them to hear first-hand from NSMC trustees, senior leadership and physicians about local health status indicators and health needs and about the work in which NSMC is engaged to improve the health of its communities. The First Annual Report was distributed at the event as well as in expansive mailings to NSMC constituents throughout the service area.

Community Benefit Plan

It is NSMC's intention that once a Salem health needs assessment is completed and can be incorporated with known needs in Lynn and the rest of the service area, the Community Affairs and Health Access Committee will perform an annual prioritization of community benefit needs for the service area. Short- and long-term goals will be articulated.

During this inaugural year, NSMC's community benefit plan had four major areas of focus: 1) continued work on the areas of need articulated in the Lynn DoN conditions and in the Cancer and Cardiac DoNs; 2) a concentrated effort to support and strengthen the North Shore Community Health Center as it underwent a change of leadership and an operational reorganization; 3) continued support of community projects through the NSMC Foundation Community Health Improvement Fund; and 4) development and implementation of a large-scale, multi-faceted project to improve care for the under and uninsured through collaborative programming with the Lynn and North Shore Community Health Centers.

Progress Report and Activity During Reporting Year

Major Programs, Initiatives and Accomplishments

Change of Ownership DoN Conditions

As described above, NSMC committed to work on 13 Determination of Need (DoN) conditions at the time of the Union Hospital/NSMC merger in 1997. The commitments focus on achieving improvement in the following areas and for specific target populations:

- Free Care access
- Interpreter services
- Financial investment in Lynn health care services
- Expansion of primary care services
- HIV services
- Health care transportation services
- Teen pregnancy prevention services
- Expansion of Free Care laboratory, specialty physician and pharmacy services
- Substance abuse services
- Mental health services

- Health outreach services
- Domestic violence services
- Community representation in hospital governance

While NSMC continued to maintain its commitment to work on all of these conditions, it had notable achievements during 2004 in the following areas.

Free Care Access

One of NSMC's major focuses during this reporting year was improving access to and continuity of care for the under and underinsured in its service area. Its goals and achievements in this regard are discussed in a separate section below.

Expansion of Primary Care Services

Last year's report described the grand opening of Lynn's newest primary care site on Western Avenue. That site, operated by the Lynn Community Health Center and supported by capital and operating funds from Partners HealthCare and NSMC, has now completed a full year of operation with a full complement of staff in primary care, behavioral health, and OB-Gyn. Clinical efficiency and quality care have been markedly enhanced by the implementation during 2004 of an electronic medical record system that was also funded by NSMC/Partners.

Expansion of Specialty Physician Services

The Free Care Pool pays for hospital services and health center services for individuals without health insurance and with limited income. It does not pay for specialty physician services or pharmacy services unless they are provided through a health center or hospital. In a community like Lynn, in which physicians are independent from the hospital, where pharmacy services are limited, and where the health center has a very limited number of specialists on staff, access to necessary care for Free Care patients has been a critical problem.

NSMC and the Task Force began exploring ways to address this problem several years ago when it became clear that the systematic approaches to Free Care access at large teaching hospitals were not available in community hospitals. Progress in Lynn required physician leadership that understood existing barriers and was committed to finding creative solutions geared to the special circumstances of independent specialty groups and to Union Hospital's own limitations as a small community hospital with limited outpatient services and space.

Last year's report discussed the tremendous progress that had been made on a system through which private community-based specialists from the Union Hospital Medical Staff were providing regular specialty sessions for patients on site at the health center in the following specialties:

- Pulmonology
- Endocrinology

- Cardiology
- Infectious disease
- Podiatry
- Surgery

Additional substantial progress continued during 2004. Ophthalmology, a service desperately needed by the health center's many diabetic patients, was added to the array of services provided on site at the health center. Additionally, neurology and urology are now provided to health center patients through an organized program in private physician offices.

Perhaps most key to the continued success of the specialty program in either setting, however, was the addition in, May 2004, of the new position of Specialty Coordinator. Through the addition of a half-time FTE, patient appointments are well coordinated, follow-up care is arranged, the no-show rate has fallen tremendously, and patient utilization and need are monitored on a monthly basis. Over 80 Free Care patients a month are now receiving needed specialty care that would otherwise be unavailable locally. Physician satisfaction with the program is very high and plans are in place to begin replication of this program with physicians whose practices focus on the NSMC Salem Hospital campus.

Community Representation in Hospital Governance

As described above, the creation and composition of the new Community Affairs and Health Access Committee marks a new level in NSMC's commitment to ensure that those advocating for the underserved are represented in the NSMC governance structure. NSMC worked hard to ensure that the Committee was comprised of community leaders from throughout the service area representing a depth and breadth of relevant experience. This Committee, whose initial membership is comprised of three trustees, three individuals recommended by the Lynn Health Task Force, and other community leaders, including former elected officials and agency leaders with which NSMC has had relationships, will not only provide oversight for the community benefit process at NSMC, but is intended to serve as a vehicle from which future board members can be developed.

Cancer and Cardiovascular DoN Programming

As part of the Determination of Need approval for the new linear accelerator operating at the North Shore Cancer Center (located in Peabody), and the open heart surgery program on the Salem campus, NSMC committed to work with community providers to improve access to cancer and cardiac care for underserved populations. Specifically, NSMC began programs at both the North Shore Community Health Center and the Lynn Community Health Center with a focus on prevention programs for Latino residents of both communities; NSMC committed \$161,500 a year to fund these programs for five years. Programming in Lynn has continued at a robust pace and funding is on target. Although programming in Salem was suspended during 2004 to focus on the health center's reorganization process (see below), it will recommence soon.

Strengthening the North Shore Community Health Center

Since it was founded in 1978, North Shore Community Health Center, Inc. (“NSCHC”) has served as an essential community provider to the underserved in the community. Its first site was in Peabody, where it served a primarily Portuguese patient population, and it opened a second site in Salem in 1995 with a focus on caring for the largely Hispanic population in the Point neighborhood.

As is the case with many community health centers, operations routinely ran at a loss and the organization suffered many financial challenges over the years. At the end of 2003, however, after several exceptionally fragile years, the situation had reached crisis proportions and the community risked losing the health centers entirely.

It was at that point that NSCHC began a major operational, leadership and financial reorganization. NSMC has participated in and supported this reorganization every step of the way and, in just one year, tremendous progress has been made to strengthen the organization and preserve critically needed care. Among the more notable improvements that stem from a collaboration with NSMC are the following:

- Physician staffing and medical leadership has stabilized and NSCHC now participates in a NSMC hospitalist program.
- NSMC’s internal medicine residency program (which is situated at the health center) has been better integrated into health center operations, allowing for improved use of space and staffing and improved productivity.
- NSCHC has been a key participant in the NSMC Under and Uninsured Access Project (described below).
- New executive leadership has been in place since the beginning of 2004 and has been successful, with NSMC’s support, in stabilizing financial results from operations.

Based on these improvements, NSMC and NSCHC are in the process of finalizing a formal affiliation agreement, which will form the basis for a three-year plan of community benefit support, tied to patient-based and operational performance objectives.

NSMC Foundation Community Health Improvement Fund

In 2001, the North Shore Medical Center Foundation created a Community Health Improvement Fund. This fund provides grants ranging from \$1,000 to \$10,000 to organizations working on community health issues in towns within the NSMC service area. In each of the first two years, grants were awarded to seven local non-profit agencies. In 2004, the third granting cycle, the NSMC Community Health Improvement Fund was honored to award grants to seven additional agencies. The grants awarded were:

- Bass River, Inc. CHIF grant will assist in the Fire Station Restoration Project, which will renovate and expand space for day and residential services provided to developmentally delayed adults.
- Express Yourself, Inc. This initiative supports the development of effective personal skills with an arts program focused on self-worth and self-esteem. It is designed to bring

together 15 students who are transitioning to the community from hospital settings and residential programs for mentally ill with at-risk youth from the Salem Point area.

- Lynn Housing Authority. The CHIF grant will allow for the purchase of much-needed classroom chairs for the Curwin Circle after-school program that assists at-risk youth, grades 3-5, with homework and computer classes.
- Pathways for Children. Funding will help sustain a public/private partnership that educates and trains parents, childcare workers, school personnel and others in Gloucester on effective child sexual abuse prevention strategies.
- Strongest Link AIDS Service. CHIF funding will allow for the continuation and expansion of HIV awareness and prevention support and discussion groups throughout Essex County.
- Northeastern Family Institute. Support of KIDS Care, a public education and substance abuse prevention program for North Shore youth, aged 7 to 17, who are at risk for substance abuse. Participating youth who reside at NFI's Shelter Care offer powerful presentations to schools and other civic organizations.

Under and Uninsured Access Project

As chronicled in past years' Community Benefit Reports, NSMC made steady and consistent improvements in the care provided to the under and uninsured residents of its communities, particularly in Lynn, from 1998 through 2002. In 2003, however, state budget cuts in MassHealth caused large disenrollments and placed new strains on the Uncompensated Care Pool. Underfunding of the pool, coupled with additional administrative changes in state programs for the under and underinsured, caused increasing challenges for patients and hospitals throughout the state, and threatened to undermine the significant progress NSMC had made in reducing care barriers for this population.

Given that the services covered by the Free Care Pool are substantially fewer than those covered by Medicaid, patients were having difficulty accessing needed services. And the financial ramifications of the trend were alarming. NSMC's net unreimbursed costs of caring for Free Care and MassHealth patients rose from \$14.8 million in FY2002 to \$18.5 million in FY2003.

NSMC leadership decided to do something about it. Starting in 2003, NSMC began an intensive effort to collect and analyze data regarding the care utilization patterns of the under and uninsured in its communities. Some of what it learned provided surprising instruction on how to best meet the needs of these patients; other data confirmed much of what is generally understood to be true about care patterns for this population. As a group, these patients:

- Are the least managed of all populations
- Use behavioral health services at a greater rate than the insured population, yet many are unable to control their disease due to the high cost of prescription drugs
- Often have chronic conditions, such as asthma, diabetes, and CHF, which require ongoing management by primary care providers to ensure optimal health and prevent unnecessary admissions
- Use the Emergency Department for non-urgent visits at a higher rate than patients with insurance

- Face cultural differences, language barriers, poverty and transportation issues
- Are frustrated by state program enrollment regulations that often make access to health care more difficult

In general, each of these findings supported the overall conclusion that primary care and other community-based supports were the critical missing ingredients for a substantial number of under and uninsured patients. NSMC knew it could do little to address these barriers on its own; and based on its experience in Lynn it knew the potential to be derived from collaboration with the local health centers. It therefore began discussions with the Lynn Community Health Center (“LCHC”) and the North Shore Community Health Center (“NSCHC”) about collaborating on a large-scale multi-faceted project to begin addressing these barriers in a systematic way. The result is the Under and Uninsured Access Project, a collaborative effort among NSMC, LCHC and NSCHC, with four major goals:

- Provision of care in the most appropriate setting based on considerations of patient choice, cost effectiveness and quality assurance
- Improvements in clinical oversight, management and coordination of inpatient and outpatient care to ensure appropriate utilization and quality clinical outcomes
- Development of care models to integrate among disciplines, particularly in the areas of:
 - primary care and behavioral health
 - primary care and women’s health
- Alleviation of duplicative administrative procedures required by MassHealth and Free Care.

By mid 2004 the following major project components were under way:

- Emergency Department Primary Care Connection. Patients who seek care from the NSMC ED who do not have a relationship with a primary care physician are provided with a next-day appointment at LCHC or NSCHC and are provided taxivouchers and other necessary supports to ensure that they keep the appointment. ED personnel and health center staff are in communication on a daily basis to ensure that patients receive the services they need and do not fall through the cracks. Clinical staff from both sites have strengthened communication processes to ensure that diagnostic test results are conveyed effectively and that needed follow-up care is obtained. Early findings are that the program has been phenomenally successful: during the past several reporting periods, no-show rates have hovered around an extraordinarily low 20%. Over 120 patients a month are being served.
- High-Risk Community-based Nursing Case Management. Two community-based nursing case managers are shared by NSMC and the two health centers to coordinate care for a subset of patients who require intensive case management and who are at excessively high risk for excessive use of emergency department care, poor outcomes and unnecessary and unduly long inpatient stays. Because they are community-based, the case managers have a unique ability to transcend the institutional barriers that can interfere with access to coordinated care across hospital campuses and community health centers to ensure communication and coordination across sites, as well as screening, linkage to services, follow-up education and resources these high risk patients require.

- **High-Risk Community-Based Psychiatric Case Management.** With similar goals to those described immediately above, this program is geared to the specific needs of behavioral health patients. The case manager coordinates an individualized goal-oriented treatment plan in collaboration with all members of the care delivery system, including the hospital treatment team, the social service community-based agencies and other related outpatient treatment providers with the goal of maintaining patients in the community and reducing the need for inpatient hospitalization. Special attention is paid to helping patients obtain affordable medications and remaining compliant with medication regimens.
- **Women’s Health Network.** On July 1, 2004, NSMC began participation, with LCHC and NSCHC, in the Women’s Health Network (“WHN”) a Department of Public Health program to provide free breast and cervical cancer screening and diagnostic services, along with health education to low-income, under and uninsured women. WHN also provides case management and linkage to free or low-cost treatment. By working with LCHC and NSCHC in WHN, the parties are also able to integrate breast and cervical cancer care with primary care. Enrollment in WHN is projected at 800 women for the first year.
- **Behavioral Health Integration with Primary Care.** The LCHC has long been at work to integrate primary and behavioral health services for patients who need both. NSMC and NSCHC are in the process of developing workable models for doing the same for Salem patients.
- **Reducing Treatment Placement Delays for Emergency Department Patients in Need of Psychiatric Inpatient Care.** NSMC has requested approval from the Commonwealth to admit psychiatric patients in need of hospitalization without the need for verification by an external triage organization. The current procedural requirements add unnecessary hours to the emergency department stay for these patients and add no benefit to outcomes.
- **Streamlining Free Care/MassHealth Enrollment Procedures.** As the Commonwealth makes its own changes in the requirements for MassHealth and Free Care enrollment, NSMC and the two health centers have worked very closely together to ensure that the negative effects of evolving enrollment procedures and resultant disruptions in reimbursement mechanisms are minimized.

Early results from each of these project components are very encouraging, and NSMC will begin to share outcomes during 2005. Its goal is to continually refine its work to best achieve the goals outlined above and to begin to provide program models so that other hospital and health center organizations can replicate anticipated successes.

Serving Free Care and Medicaid Patients

In addition to its innovative program to coordinate care delivery and expand services for Free Care patients, NSMC provided nearly \$15 million of Free Care to more than 6,000 uninsured patients during FY2004. The Uncompensated Care Pool covered \$5 million of this loss, for a net cost to the hospital of \$9.5 million. Nearly three-quarters of all NSMC Free Care patients were from Salem and Lynn.

NSMC is also a significant provider of health care for Medicaid patients, providing more than \$38.1 million worth of care to more than 20,500 patients in FY2004. Because this care is not fully reimbursed, the hospital lost \$13.4 million by providing it.

Measuring the Commitment

One way to measure NSMC's commitment to the community is by the amount spent on health care services and programs. The following table calculates this in two different ways – first, according to the guidelines promulgated by the Attorney General's office and second, according to a broader definition that considers additional components of spending or revenue loss.

Components of FY2004 Community Commitment (in \$ Millions)

Compiled according to the Attorney General Guidelines

Community Benefit Programs		
Direct Expenses		
	Program Expenses	1.4
	Health Center Subsidies (Net of Uncompensated Care)	N/A
	Grants for Community Health Centers	0.5
Associated Expenses		N/A
DoN Expenses		N/A
Employee Volunteerism		N/A
Other Leveraged Resources		
	Grants Obtained	0.2
	Doctors Free Care	0.1
Net Charity Care (Shortfall plus Assessment)		10.4
Corporate Sponsorships		N/A
Total per AG Guidelines		12.6

Components of FY2004 Community Commitment
(in \$ Millions)
Compiled according to a Broader Definition

	Program Expenses	1.4
	Health Center Subsidies (Net of UC and Medicaid Loss)	N/A
	Grants for Community Health Centers	0.5
Associated Expenses		N/A
DoN Expenses		N/A
Employee Volunteerism		N/A
Other Leveraged Resources		
	Grants Obtained	0.2
	Doctors Free Care	0.1
Net Uncompensated Care - Hospitals (Shortfall plus assessment net of Insurer Contributions)		9.5
Bad Debt (at Cost)		
	Hospitals	3.5
	Doctors	0.6
Medicaid Loss (at Cost)		
	Hospitals	13.4
	Doctors	1.8
Unreimbursed Expenses for Graduate Medical Education		1.7
Linkage/In Lieu/Tax Payments		0.5
Total Broader Definition		33.2

Note: Where N/A is reported, it should be noted that although amounts are not available for reporting, Partners hospitals, health centers, and physicians provide substantial contributions.

Depending upon the definition used, NSMC contributed between more than four percent and almost 12 percent of patient care-related expenses to the community in FY2004.

Next Reporting Year

NSMC's two major goals for the upcoming year are to: 1) continue work on all aspects of the Under and Uninsured Care Project with the goal of measuring initial outcomes to determine what improvements are needed to ensure that care is improved for the target population; 2) develop, with the guidance of the Community Affairs and Health Access Committee, a service area prioritization of community benefit goals.

Contact Information

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