

March 2, 2016

Michael K. Dexter, Chief
Center for Health Systems Policy and Regulation
Rhode Island Department of Health
Three Capitol Hill, Room 410
Providence, Rhode Island 02908-5097

Re: Memorial Hospital Inpatient Obstetrical Service

Dear Mr. Dexter:

Memorial Hospital of Rhode Island ("MHRI") is hereby advising the Department of Health that it intends to cease providing inpatient obstetrics services at MHRI and will relocate those services to its licensed hospital affiliates, Women & Infants Hospital ("W&I") and Kent County Memorial Hospital ("Kent"), at the earliest opportunity.

To the extent inpatient obstetrics is considered to be a primary care service under section 23-17.14-18 of the Rhode Island General Laws, the following information addresses section 10.1.2 of the Rules and Regulations Pertaining to Hospital Conversions:

- (a) MHRI currently provides inpatient obstetric services at its Pawtucket location. During fiscal year 2015, there were 446 births at MHRI. This volume of births can be accommodated at CNE's alternative sites for inpatient obstetrics, W&I and Kent. There were 8,948 births in fiscal year 2015 at the former against a capacity of 10,000 and 852 births at the latter during the same period against a capacity of at least 1500.
- (b) As is the case with inpatient hospital services generally, inpatient obstetrics services are available at MHRI 24/7. These hours are also maintained at W&I and Kent.
- (c) Qualified employees currently staffing the inpatient obstetrics unit at MHRI will have the opportunity to apply for vacant positions that are currently being held open across CNE. Depending on need, CNE is willing to create educational/training opportunities for displaced staff as well. Once the staffing plan is finalized, CNE will do its best to match affected employees with desired positions. Nevertheless, it is expected that there will be a reduction of force of some magnitude associated with the closure of the MHRI inpatient obstetrics unit.

- (d) MHRI has provided inpatient obstetric services at its Pawtucket location since at least 1931.
- (e) The most informative statistic with regard to patient utilization of inpatient obstetrics is that of births. The number of births at MHRI for the most recent three fiscal years is as follows:
- 2013---457
2014---492
2015---446
- (f) During the three most recent fiscal years, the percentage of births at MHRI that were self- pay trended down from 3.4% to .2%. All other patients were covered by some form of third party insurance.
- (g) The table below summarizes the insurance status of patients receiving inpatient obstetrics care at MHRI during the most recent three fiscal years.

Insurance Status (Primary)	2013	2014	2015
Blue Cross	22.8%	19.3%	19.4%
Commercial	11.0%	11.8%	12.3%
Medicaid & Medicaid Managed	39.6%	43.5%	44.0%
Medicare	1.8%	1.2%	.9%
United	20.8%	20.8%	21.7%
Champus	.7%	.8%	1.4%
Self-Pay	3.4%	2.4%	.2%

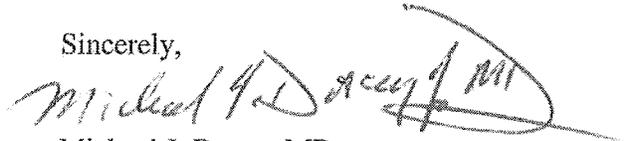
- (h) Two-thirds of all patients utilizing inpatient obstetrics services at MHRI during the past three fiscal years resided in Pawtucket, Providence, Central Falls, East Providence, Cranston, Attleboro and Cumberland, with more than 50% coming from the first three communities.
- (i) (1) No impact is expected on access to health services for traditionally underserved populations. MHRI's Family Care Center will continue to provide outpatient prenatal and postnatal care. Inpatient obstetrics services previously provided by MHRI will continue to be available at W&I or at Kent or, depending on patient choice, at any other hospital offering inpatient obstetrics services.
- (2) No impact is expected on the delivery of inpatient obstetrics services in the affected communities. Between 85% and 95% of all births originating from the communities noted above currently take place at W&I.

(3) W&I and Kent will each experience increased demand for inpatient obstetrics services but, as noted in (a) above, each hospital has the capacity to address the modest increases anticipated.

(4) Except as noted in (i) (3), no significant impact is expected on other hospitals or health care providers elsewhere in the state.

If you have any questions, please call.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Dacey, MD". The signature is written in a cursive style with a large, sweeping flourish at the end.

Michael J. Dacey, MD
President, Memorial Hospital of
Rhode Island