

State of VT Health Reform Oversight Committee

## Remaining Independent Through Interdependence



# 3<sup>rd</sup> Option - Independent Hospital Alternatives

Collaboratives provide many of the advantages of a Hospital Network but without the need for ownership

	Independent	Network	Collaborative
<b>Governance</b>			
Ownership	Local Board/ Community Focus	Network Board/ Larger Hospital Focused	Local Board/ Community Focus
Strategy	Care is Local	Network Needs	Care is Local + Regional
<b>Finance</b>			
Economies of Scale	No	Yes	Yes
Managed Care Rates / Bargaining Power	No	Yes	Yes
Shared Admin & Services	No	Yes	Yes
Technology	No	Yes	Maybe
Cash/Capital	No	Cash- Yes Capital- Maybe	No
<b>Other</b>			
Peer Network/ Subject Matter Expertise	No	Yes	Yes
Advocacy	Single Hospital	Network	Rural Hospitals
Costs to Patients	Lower	Higher	Lower
Provider Network / Services	Limited	Expand or Consolidate	Regional

# Collaboratives/Consortiums/Coalitions/Alliances

## Illinois Critical Access Hospital Network (ICAHN) c.1999

57 Hospital Members, Critical Access Only

501c3 - Federal Grant Pass Thru (FLEX, SCHIP)

### Focus:

- Care Coordination /Chronic Care Mgmt.
- CIO/IT
- Coding/Auditing
- Community Health Needs Assessments
- External Peer Review

### Vendor Partnerships:

Insurance; Managed Care; ACO; Prof Development; Recruit/Staffing; Survey preparedness, Patient & Employee Satisfaction, more

## Eastern Plains Healthcare Consortium (EPHC) c. 2015 / Colorado

11 Independent/ 2 System Hospital Members

501c3 - Grant Focused

### Focus:

- Policy & Advocacy, Improving Quality
- Ltd Financial Services

### Vendor Partnerships:

Staff Sharing; Central Training Program (CNA), Rx & Supply Share (Bulk), Continuing Education Programs, Telehealth Services, Managed Care Negotiations, more

## Louisiana Independent Hospital Network Coalition (LIHNC) c. 2019

30 Member Hospitals

LLC (equal representation, unequal member dues)

### Focus:

- Joint Purchasing
- Joint Strategy
- IT/Cyber Services
- Planning/Investment

### Vendor Partnerships:

Training Programs, Leadership Development Employee Benefits, Business Services, Insurance, more

## Western Healthcare Alliance (WHA) c. 1989 / Colorado & Utah

30 Members w/ Subsidiaries

501c3 w/ LLC

### Focus: LLC's

- 20 Own Revenue Cycle Solutions
- Community Care Alliance /ACO
- Leadership Academy; Peer Networks; POS Training; consulting

### Vendor Partnerships

Collection Agency; Early-out Self-pay; Leadership Development; Cybersecurity; Care Coordination; Mock Surveys; Employee Benefit Solutions, more

## Montana Health Network c 1987

42 Critical Access Hospitals Rural Hospital & Networked Hospitals 9 Member Hospitals

LLC w/ 501c3

### Focus: LLC's

- 1) Insurance
- 2) Staffing agency
- 3) Education Programs
- 4) Shared Services/MRI Foundation/grants (501c3)

### Vendor Partnerships

Education, Interim Staffing, Employee Benefits, Business Services Grant Coordination, Governance Education

# Ovation Healthcare's Role Developing Trust & Interdependence

## Story

- 'Game of Concentration'
- 'Third Option'
- 'Everyone has a day job'
- 'Take cost out of shared service area'
- 'We're building trust'

## Platform, Host & Quiet Engine(s)

- Trusted Convenor of Shared Visions (coordinator)
- Platform for Employment (neutral)
- Host for Strategy (facilitator)
- Key Vendor Partners (Ovation Healthcare "Quiet Engines")

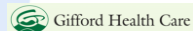
# Our History (2023-2025)



**Ovation Healthcare**



**Brattleboro Memorial Hospital**  
EXCEPTIONAL CARE FOR OUR COMMUNITY



Meeting #1  
Stowe, VT

Two VT Hospital  
CEO's: Desire for a  
Formal Structure w  
Ovation

Annual Meeting:  
Six Hospitals  
express strong  
interest, Stowe  
VT

**New England  
Collaborative  
Network is  
"born" (Copley,  
Northwestern,  
Brattleboro)**

1st Member  
Meeting  
Lake Morey Inn

New Members:  
Adirondack  
Health &  
Cottage Hospital

New Member:  
Lamoille Home  
Health &  
Hospice  
**Leadership  
Councils Formed**

Member Boards  
Education Mtg  
#1

New Members:  
Grace Cottage &  
Gifford Health  
2025 Member  
Meeting  
Formal Group  
Business Ins

October 2022  
Follow Up

Sept 2023

Dec. 2023

June 2024

Sept 2024

Nov 2024

Jan 2025

May 2025

February 2022  
Concept

Summer 2023

Oct. 2023

May 2024

July 2024

Oct 2024

Dec 2024

Feb 2025

July 2025

Meeting #2,  
Stowe VT

**Executive  
Director Hired**

VT Collaborative  
Hospital  
Network  
Incorporated  
**Name Changed to  
New England  
Collaborative  
Health Network**

New Member:  
1st Community  
Partner Member  
NOTCH FQHC

HUB & the  
Richards Group  
Selected as  
Brokers

Annual Meeting  
Stowe VT

Year 1 Employee  
Benefit Group  
Plan

New Member:  
Northern  
Counties Health  
Care FQHC



**NORTHERN TIER  
CENTER FOR HEALTH**  
PROVIDING INTEGRATED HEALTH CARE  
COMMITTED TO HEALTH AND COMMUNITY SINCE 1962



## Guiding Principles

As caring members and partners of the NE Collaborative Health Network (NECHN), we believe and affirm:

Through collaboration we can **strengthen the sustainability and resilience of independent rural community healthcare** and in so doing protect quality patient care and services for the Communities we serve

The development of a formal **network creates numerous business opportunities** that, individually, we might not otherwise be in a position to pursue or achieve

NECHN Members and Partners will **benefit from shared solutions** to face the current and foreseeable challenges that the healthcare industry is experiencing (among others) with workforce, costs, and access to quality care.

Advocacy is enhanced through **a collective voice** that intimately appreciates and speaks knowingly about the true needs of healthcare in rural communities.

Supporting NECHN peer workgroups and programs are an important means to problem solve, to **share best practices, and build a shared regional trust.**

Our independent NECHN Board of Directors, a collective of like size organizations with similar realities, offers the ability through shared passion and **vision to develop both local and regional shared solutions.**



### NE Collaborative Health Network Member Accord

As caring members and partners of the New England Collaborative Healthcare Network (NECHN), we recognize the importance of and agree upon the need to work inter-dependently for the long-term sustainability of Independent Community Hospitals, Health Systems and Community Partners in Care, that any collaborative framework should be structured on harmonious shared solutions achieving scale and efficiency, and the philosophical foundation that a network of true collaboration is rooted in trust, respect, and deeds of integrity.

Recognizing the NECHN Board of Directors is an independent governing body, free to make decisions in the best interest of collaborative members and partners with the mission to strengthen and protect independent rural community healthcare.

Accordingly, as caring members and partners of the NECHN we believe and affirm:

- Through collaboration we can strengthen the sustainability and resilience of independent rural community healthcare and in so doing protect quality patient care and services for the Communities we serve.
- The development of a formal network creates numerous business opportunities that, individually, we might not otherwise be in a position to pursue or achieve.
- NECHN Members and Partners will benefit from shared solutions to face the current and foreseeable challenges our shared healthcare industry is experiencing (among others) with workforce, costs, and access to quality care.
- Advocacy is enhanced through a collective voice that intimately appreciates and speaks knowingly about the true needs of healthcare in rural communities.
- Supporting NECHN peer workgroups and programs are an important means to problem solve, to share best practices, and to build a shared regional trust.
- Our independent NECHN Board of Directors, a collective of like size organizations with similar realities, offers the ability through shared passion and vision to develop both local and regional shared solutions.

**Our success depends on our members' level of inter-dependence. Therefore, we pledge:**

✓ To care enough to contribute our best	✓ To be courageous as we innovate
✓ To be loyal enough to help each other succeed	✓ To remain vigilant as we care for our caregivers and the communities we serve



Christopher Dougherty, CEO  
Bratteboro Memorial Hospital



Joseph Wordin, CEO  
Copley Hospital



Peter Wright, CEO  
Northwestern Medical Center



Chip Holmes, EVP Hosp. Ops.  
Ovation Healthcare



David Turner, Exec. Director  
NE-CHN



Scott Gressett, COO  
Ovation Healthcare

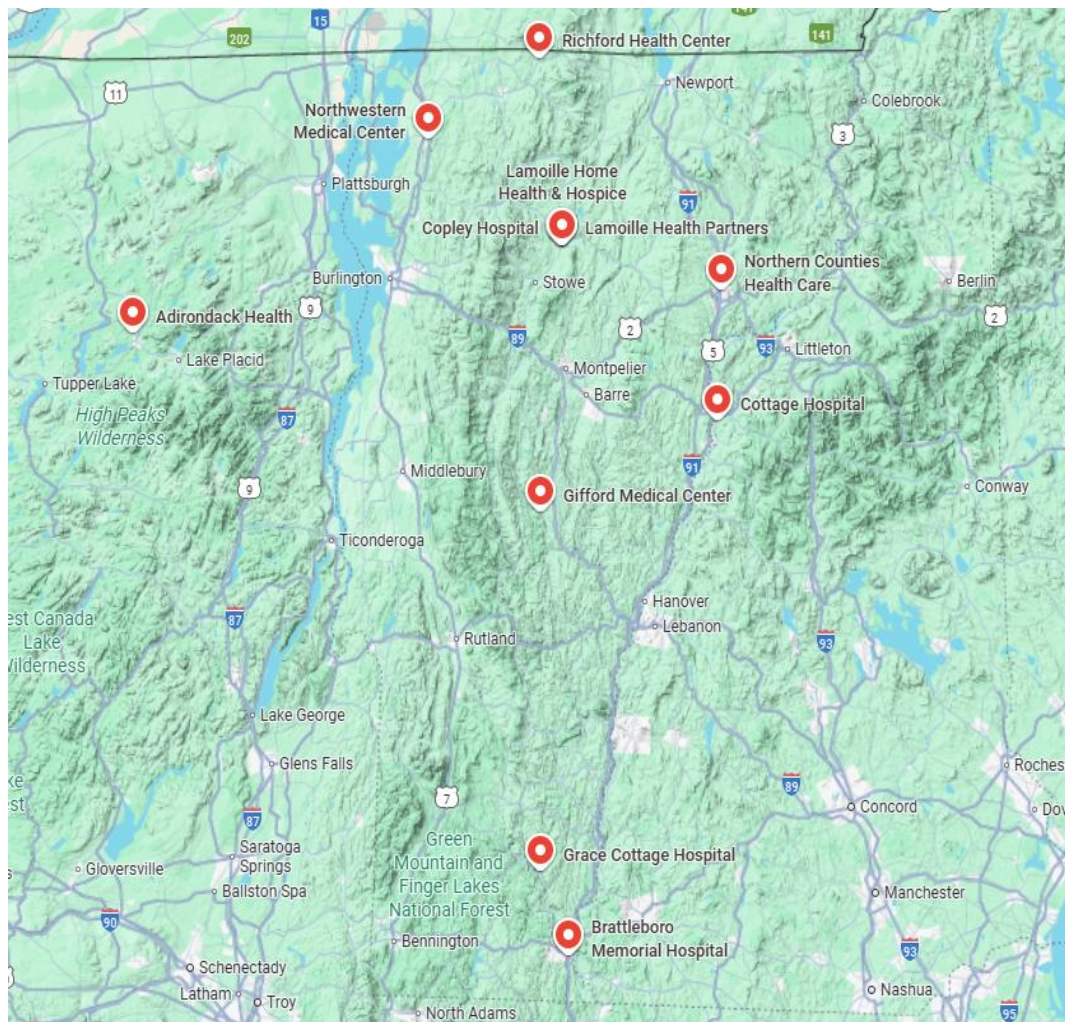




## Hospital Members



## Community Partners



# Network Growth / Scale

## Staff FTE

May 2024	1,787
Current	4,523

➤ 1/2 Size of UVM Medical Center

## Covered Lives

May 2024	129,000
Current	313,300

➤ 1/3 VT Residents in Network

## Square Miles

May 2024	1,961
Current	6,787

➤ 1/2 VT Total Square Miles





# About New England Collaborative Health Network

- For Profit LLC - enables us to share profits/income
  - “Owned” by Hospital Members: Equal Share, Equal Vote
  - Independent Board of Directors, Hospital CEO’s
- Community Partner Members
  - Opt-In / Opt-Out of NECHN Initiatives and Programs
  - Community Partners Participate in All NECHN Leadership Councils
- LOW Financial Risk for Membership
  - Hospital Members: Annual Dues offset by Admin Fee Share Revenue
  - Community Partner Members: No Annual Dues if participate in either GPO or Employee Benefits & No Upfront Capital Costs or Liability for Network Losses

## Building a Foundation of Trust & Commitment

Founding Hospital CEO's	Shared Values, Vision, Shared Financial Commitment
Member Hospital Board	Networking / Shared Events / No Longer CEO Dependent
Collaborative Board	Equality = One seat, One Vote Regardless of Size
Affinity Groups (Leadership Councils)	Peer Reliance / Deeper Alignment & Culture
Community Partners	Share Resources / Expertise Across Continuum of Care (typically with less resources)
Vendor Partners	Subject Matter Experts with a Financial & Shared Commitment

# Trusted Vendor Partners “Quiet Engines”



HIGHLY TRUSTED &  
REPUTABLE  
ADVISORS



ADVOCATE  
COLLABORATIVE  
VALUE / CONCEPT



INNOVATION /  
DIFFERENTIATION



SUBJECT MATTER  
EXPERTISE /  
RESOURCES



EXPRESS SHARED  
LEVEL OF  
COMMITMENT



# NECHN Leadership Councils (Affinity groups)

## Information Systems

Lead: Curtis Kerbs, Copley VP IT/CIO

## Human Resources

Lead: Suzan McDermott, Adirondack CPO

## Supply Chain

Lead: Susan Caffrey, BMH Director

## Finance

Lead: Ann Duffy, Cottage CFO

## Clinical / Nurse Education

Lead: Sam Allaire, Copley CNO

## Chief Nursing Officer

Purpose: Peer Support, Due Diligence Proposals, Identify New Opportunities, & Alignment/Execution of Shared Plans

# Common Challenges / Collaborative Pillars



## Keep Care Local

- Reputation / Safety Scores / Ratings / Consumerism
- Shared Provider Network / Telehealth
- Capital Investment / Infrastructure / Medical Technology
- Narrow Network to Lower Cost Providers



## Reduce Costs

- **Total Supply Spend**
- **Employee Benefits Group Plan**
- Regionalization Support Services (EVS, Facilities, Linen)
- Shared IT Network / Cyber Security Expertise / AI
- **Business & Malpractice Insurance Group Plan**



## Workforce

- Leadership Training and Development
- Regional Staffing Company
- Shared Regional Strategy
- Shared Development / Programs for Future Workforce & Funding



## Other

- Revenue Cycle Performance
- Payor Contracts
- External Funding / Grant
- Financially Stable Community Partners
- Advocacy



# Year 1 Cost Savings – Areas of Focus

May 2024-May2025

Supply Chain

Employee Benefits

- Medical TPA, PBM, Stop Loss

Business Insurance

- Workers Compensation

NEAH v NECHN Dues

Admin Share  
Agreements

# Year 2 Cost Savings In Progress/ Potential

May 2025 - Current

## Supply Chain

- Standardization & Tier Discounts (ongoing)
- LHHH > \$50,000 yr 1
- NECHN Tier Savings \$47,000 (Nov)

## Employee Benefits

- Life, Disability (2026)
- Vision & Dental (2027)

## Business Insurance (2025-26)

- Cyber \$50k
- General, Professional, Malpractice, Excess (\$1.1M cost avoidance)
- Property & Other

## Agency & Locum Contract Alignment (2025-26)

- Private Label Development (2026-27)

Employee Retirement Plan (2026): Alignment for Group Retirement Plan

Telehealth Contracts (2026): Align for Group Agreement

Hospital Based Contracts (26-27): Align for Group Agreement

Fuel Oil / Propane

# Projected Cost Savings/Avoidance

Savings/Cost Avoidance by Category	Overall		Hospital		Comm Partner
Medical / Surgical & Pharmaceutical	\$	3,396,116	\$	2,809,634	\$ 586,482
Employee Benefits	\$	2,194,158	\$	1,783,269	\$ 410,889
Business Insurance	\$	1,230,067	\$	1,228,512	\$ 1,555
Dues/Fees	\$	533,886	\$	533,886	\$ -
Total	\$	7,354,227	\$	6,355,301	\$ 998,926

Avg Hospital Savings to Date - \$907,900    Avg Community Partner Savings to Date - \$249,731

# Functionality Initiatives In Progress

- Shared Leadership Development Program
- Shared IT & Nursing Specialists
- Risk Management Workgroup
- Employee Benefits Workgroup
- Revenue Cycle Shared Services
- Human Resources Modernization
- Member Board Education & Stewardship

# VT Hospital Transformation Role Enhanced Functionality

Need for Shared IT Network & Electronic Health Record & HR Systems



Shared Network & Cyber  
Specialists, Application  
Training(ers)



Shared Revenue Cycle  
Functions/ Teams



Centralized Budget /  
Financial Functions  
(AP/Payroll)



Enhanced Data Analytics /  
Population Health



Regional Professional  
Group Practices,  
Diagnostic Interpretations



Shared Care Coordination  
Services (Acute to LTC to  
Home Health w/ Primary  
Care Connected)



Integration of Remote  
Patient Monitoring



Provider Productivity / AI  
& Enhanced System  
Capabilities



Shared Quality, Risk,  
Utilization Review Teams





### **Board Chair**

Joseph Woodin  
President & CEO Copley Health Systems  
p. (802) 888-8291  
e. [jwoodin@chsi.org](mailto:jwoodin@chsi.org)

### **Executive Director**

David Turner  
p. (802) 522-0255  
e. [david.turner@ovationhc.com](mailto:david.turner@ovationhc.com)

## Contact Information: