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CARE NEW ENGLAND/LIFESPAN PRELIMINARY INTEGRATION PLANNING PROCESS

August 26, 2020



ALVAREZ & MARSAL

4(d)-4
Care New England Health System
April 2021

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C-R-CNE-LS23-0047695

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Antitrust Counsel Guidance

Introduction

Pre-Integration Planning Process Overview

- Both CEOs initiated first discussion regarding “Post-COVID” work between Lifespan and Care New England early April 2020.
- Both CEOs reached out to Alvarez & Marsal (A&M) to facilitate and guide the “Post-COVID” discussions.
- Weekly calls between CEOs and A&M took place mid-April to mid-June regarding potential for initiating pre-integration planning process. Discussions included:
 - Shared principles and opportunities between two systems during this unique time and environment.
 - Outline of 90-day integration planning process, with the key decision to defer discussions regarding governance and physician organization structures until after a non-binding LOI decision is mutually agreed upon by both Boards following the 90 days.
- CEOs drafted and agreed upon guiding principles for the pre-integration planning process.
- Both Boards were consulted and asked to vote on decision to begin integration planning process.

Guiding Principles

Guiding Principles

- **Care transformation for Rhode Island.** The proposed creation of a single, integrated academic health system will provide a unique, once-in-a-lifetime, opportunity to truly transform health care and improve the health and well-being of the community in Rhode Island for generations to come.
- **Improved efficiencies.** At a time when governmental and private purchasers of health care are increasingly emphasizing value, quality and seeking to hold down costs, the proposed integration would be intended to increase quality, improve outcomes and control costs through operational efficiencies and economies of scale.
- **Shared mission and vision.** The proposed integrated delivery system would be intended to further the mission and vision of both Lifespan and Care New England and promote the tripartite mission of education, research and high-quality clinical care in partnership with the Warren Alpert School of Medicine of Brown University and other outstanding Rhode Island educational institutions.
- **Value to the communities we serve.** The proposed integration would result in enhanced coordination of care, and a better patient experience, for the patients and communities we serve.
- **Value of workforce.** The proposed unified health system is also intended to recognize the critical importance of our respective workforces and make diversity and inclusion a strategic priority going forward.
- **Enhanced experience for our valued medical staffs.** The proposed integration would be intended to restore and reinforce the "joy of medicine" for the Rhode Island physician community and all of our valued healthcare workers.
- **The whole would be greater than the sum of its parts.** The proposed integration would draw upon the unique strengths of each system, many of which are complementary, not duplicative.

Guiding Principles (cont.)

- **Improved access.** The new system would enhance the availability of patient care through ease of access to a single, integrated system at any level of care at locations throughout the state.
- **Care for all residents.** The envisioned integrated system would also be intended to expand access for underserved and vulnerable populations.
- **Improved population health.** By combining the unique strengths of Lifespan, Care New England and Brown University, the integrated system would be better positioned to work closely with the State to address many of the underlying chronic conditions of the State's population, including diseases and conditions such as diabetes, obesity, asthma, mental illness and addictions, but also including the social determinants of health.
- **Enhanced academic relationship.** Combining current teaching hospitals into a single, integrated academic health system will substantially improve the academic relationship with Brown University.
- **Enhanced research opportunities.** Combining into a single academic health system will provide significant opportunities to expand research among the parties, including basic research, clinical and translational research, and clinical trials.
- **Promote innovation.** An integrated academic health system should also enhance the ability to foster innovative technologies and attract additional investment in such technologies in Rhode Island.
- **Better patient information will improve the ability to serve our patients and communities.** The ability of Lifespan and Care New England to combine their separate Electronic Medical Record platforms from the same vendor will enable the new integrated system to create a substantially improved, unified EMR.
- **Ability to make the most efficient use of increasingly scarce capital resources.** The integrated system would be intended to promote an efficient allocation of future capital investments.

Integration Planning Period Process Overview

Overview

- This integration planning process represents an opportunity for Lifespan and Care New England (the “Parties”) to spend 90 days (the “Preliminary Integration Planning Period”) exploring and identifying the benefits of forming a single integrated academic health system (“AHS”) in Rhode Island.
- The Parties believe that a more fully integrated health care system, organized in conjunction with a major, top-tier medical school, could form an essential foundation for providing high quality and lower cost patient care and promoting innovation in research, education and cutting-edge clinical care, in a competitive environment, for the residents of Rhode Island and New England.
- Nonprofit health systems, like Lifespan and Care New England, that include major teaching hospitals, are facing daunting challenges from a range of health system trends, including lower-cost non-academic health systems and increased pressure from public and private third-party payers to deliver value, high quality care and improve the patient experience in a highly volatile market.
- Academic health systems nationally have responded to these challenges by pursuing strategies that lead to increased integration, coordination and operational efficiencies to enhance the ability of such systems to improve value, quality and access, while preserving the extraordinary benefits of research and innovation for their patients and communities. Massachusetts has four such systems. However, in Rhode Island, there are none, and the various components that could form such a system remain unnecessarily fragmented.
- The current COVID-19 pandemic has dramatically underscored the need for integration of academic medical centers into a true academic health system, which can best be achieved by merging the current disparate components of Rhode Island’s teaching hospitals into a single integrated nonprofit health system.

Overview (cont.)

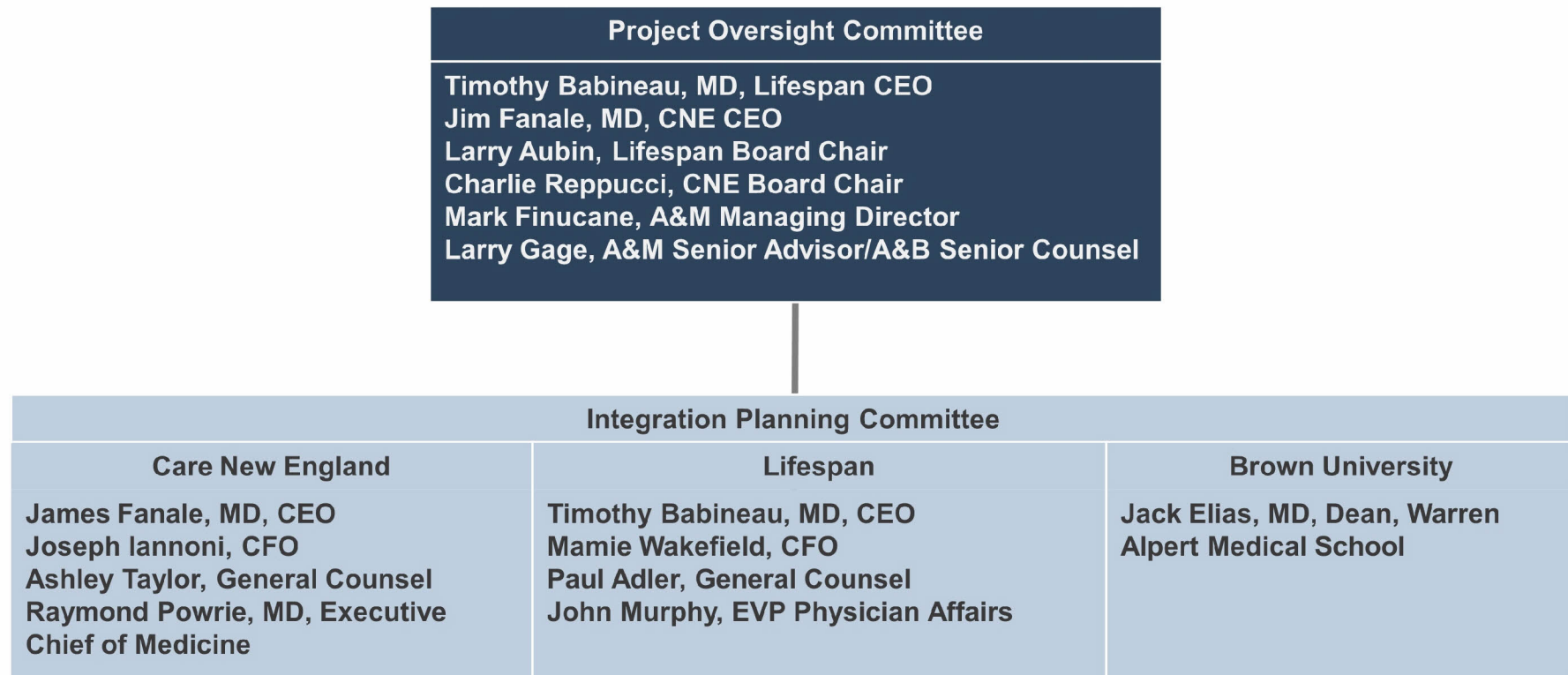
- A&M recommended, and the Parties' Boards approved, the Preliminary Integration Planning Period work plan, which set out a process during which the Parties' CEOs, working closely with a Project Oversight Committee that included the Parties' CEOs and Board Chairs, have:
 - Appointed and jointly chaired an Integration Planning Committee ("IPC"), whose membership included the CEOs, CFOs, CMOs, General Counsels and the Dean of the Warren Alpert Medical School of Brown University;
 - The IPC identified and reviewed the potential benefits of an integrated AHS for the Parties, the patients and communities they serve, and the State of Rhode Island; and
 - The IPC appointed and convened issue-specific workstreams to identify and review the potential benefits and challenges in specific domains.
- The Preliminary Integration Planning Period concludes with recommendations to the Parties' Boards, which would determine whether to sign a non-binding Letter of Intent that would lead to a formal due diligence period and the negotiation of one or more Definitive Agreements to create a new, integrated AHS in Rhode Island.

Workstreams to Identify Benefits & Challenges

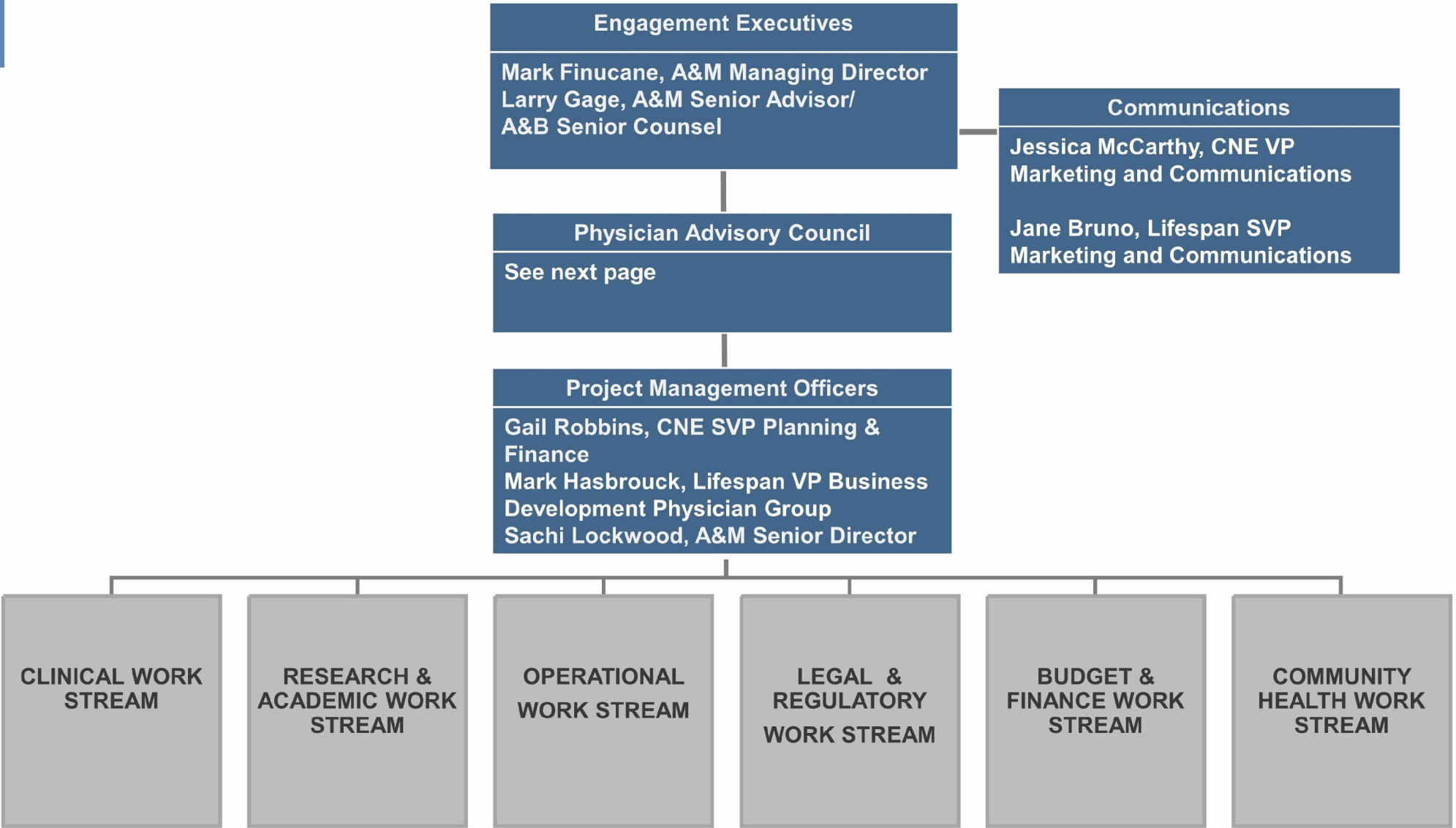
- The Integration Planning Committee convened workstreams to identify potential benefits and challenges in a number of important strategic domains.
- The workstreams and integration areas addressed included the following domains:

Clinical Work Stream <ul style="list-style-type: none">• Potential Benefits of Physician Integration• Potential Benefits of Service Line Integration	Research & Academic Work Stream <ul style="list-style-type: none">• Potential Benefits of Research Alignment• Potential Benefits of Academic Alignment	Operational Work Stream <ul style="list-style-type: none">• Workforce/Labor Issues & Benefits• Operational Issues• Information Technology
Legal & Regulatory Work Stream <ul style="list-style-type: none">• Legal & Regulatory Requirements	Budget & Finance Work Stream <ul style="list-style-type: none">• Financial Assessment• Capital Assessment	Community Health Work Stream <ul style="list-style-type: none">• Population Health• ACO• Community Benefits

Organizational Chart – Project Committee Structure



Organizational Chart – Structure of Integration Planning Process



Organizational Chart – Physician Advisory Council

Physician Advisory Council	
Raymond Powrie, Executive Chief of Medicine James Sullivan, Exec Chief of Psychiatry Ana Fulton, Exec Chief of Geriatrics and Palliative Care Rob Shalvoy, Exec Chief of Orthopedics James Sung, Exec Chief of Pathology Jeff Borkan, Chief of Family Medicine at CNE and Chair of Family Medicine at Brown Brittany Hampton (Star), Interim Chief of OBGYN, W&I Hospital and CNE/Interim Chair OBGYN, WAMS Steven Rasmussen, Chair of Psychiatry Edward Thomas, Cardiology	John Murphy, EVP Physician Affairs Bill Cioffi, Chief of Surgery Lou Rice, Chief of Medicine John Cronan, Chief of Diagnostic Imaging Phyllis Dennerly, Chief of Pediatrics Peg Miller, Chief of Women's Medicine Jody Underwood, Chief of Psychiatry Athena Poppas, Director, Lifespan Cardiovascular Institute Dave Wazer, Director, Lifespan Cancer Institute

Project Commitment (MF)

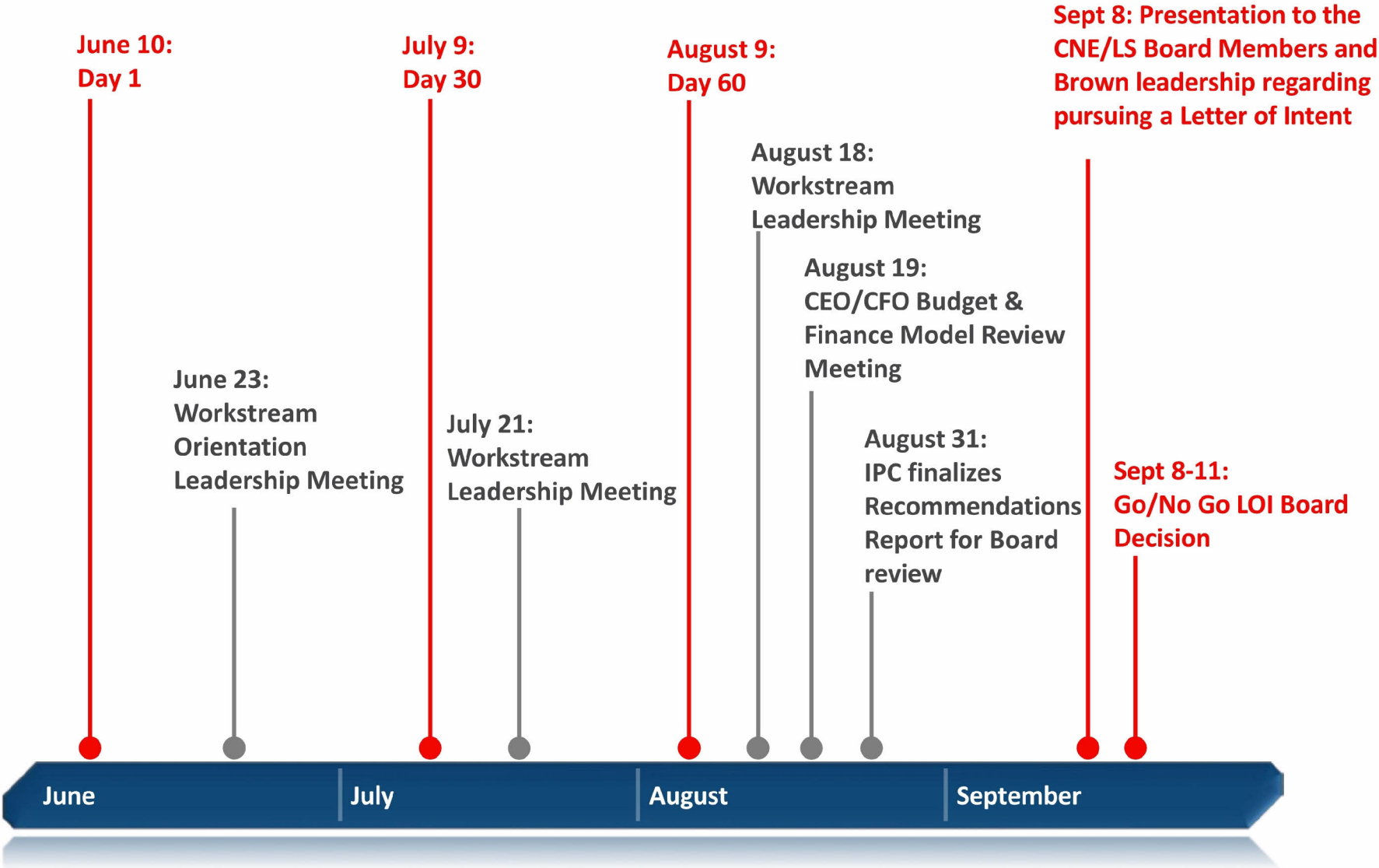
17 meetings (17+ hours) across 3 Committees:

- Project Oversight Committee – Board Chairs, CEOs
- Integration Planning Committee – CEOs, CFOs, CMOs, General Counsel, PMOs
- Physician Advisory Council

28 meetings (70+ hours) of workstream meetings across 6 workstreams comprised of members from Care New England, Lifespan, and Brown University:

- Clinical: 14 members
- Operational: 14 members
- Research & Academic: 15 members
- Legal & Regulatory: 5 members
- Community Health: 7 members
- Budget & Finance: 5 members

Preliminary Integration Planning Timeline



Appendix A: Workstream Team Members

Care New England Workstream Team Members

Budget and Finance

- **Co-Lead: Joe Iannoni, EVP and CFO**
- Gail Robbins, SVP CNE Planning and Finance
- Jim Burke, VP Finance, Kent Hospital
- Colleen Ramos, VP Finance, W&I Hospital

Clinical

- **Co-Lead: Jim Fanale, MD, President/CEO**
- Ray Powrie, MD, Executive Chief of Medicine
- Paari Gopalakrishnan, MD, CMO - Kent Hospital
- Bryan Liese, VP Integration and Administration, CNE/WIH
- Shannon Sullivan, Interim COO, W&I Hospital
- Ana Tuya Fulton, MD, Exec Chief of Geriatrics and Palliative Care
- Mary Marran, President and COO, Butler Hospital

Community Health

- **Co-Lead: John Minichiello, President and COO, Integra**
- Melanie Brites, Senior Director, Strategy and Analytics
- Matt Harvey, Senior Director, Government Programs and Grant Management
- Joe Diaz, MD, Internal Medicine, Associate Dean for Diversity and Multicultural Affairs, WAMS; Medical Director Integra Community Care

Legal & Regulatory

- **Co-Lead: Ashley Taylor, General Counsel**

Operational

- **Co-Lead: Mary Marran, President & COO, Butler Hospital**
- Bob Haffey, President and COO - Kent Hospital
- Tish Devaney, Sr. VP Human Resources
- Phil Kahn, CIO
- Judy Thorpe, SVP/CNO Patient Care Services, Kent Hospital
- Robin Neale, Director of Quality
- Jim Fanale, MD, President/CEO
- Gail Robbins, SVP Planning & Finance

Research & Academic

- **Co-Lead: Brittany (Star) Hampton, MD, Interim Chief of OBGYN, W&I Hospital and CNE/Interim Chair OBGYN, WAMS**
- Audrey Tyrka, MD, Director of Research, Butler Hospital
- Kristen Matteson, MD, Vice Chair of Research, WIH Dept of OB Gyn
- Jeff Borkan, MD, Chair of Family Medicine, WAMS
- Jim Padbury, MD, Chief of Pediatrics, WIH

Project Management Officer: Gail Robbins, SVP Planning and Finance

Lifespan Workstream Team Members

Budget and Finance

- **Co-Lead: Mamie Wakefield, EVP and CFO**

Clinical

- **Co-Lead: John Murphy, MD, EVP Physician Affairs**
- Gil De Oliveira, MD Chair Anesthesia
- Janine Lairmore, VP Cardiovascular Services
- Susan Korber, VP Cancer Care Services
- Patricia Richards, VP Operations - LPG
- Dean Roye, MD, CMO TMH
- Jay Schuur, MD, Chair Emergency Medicine

Community Health

- **Co-Lead: Steven Lampert, MD, President - Lifespan Physician Group**
- Peter Hollmann, MD, CMO ACO
- Dan Moynihan, VP Contracting, Director ACO

Legal & Regulatory

- **Co-Lead: Paul Adler, General Counsel**

Operational

- **Co-Lead: Arthur Sampson, President - The Miriam Hospital**
- Lisa Abbott, Sr. VP Human Resources
- Christine Collins, VP Pharmacy
- Nick Dominick, Sr. VP Support Services
- Cathy Duquette, EVP, Quality & Safety and Chief Nursing Executive
- Crista Durand, President, Newport Hospital
- Donna O'Brien, President, Strategic Visions in Healthcare
- Cedric Priebe, MD, CIO

Research & Academic

- **Co-Lead: Lou Rice, MD, Chief of Medicine**
- James Arrighi, MD Director GME
- Phyllis Dennerly, MD, Chair Pediatric Medicine
- Michael Henderson VP Research
- Bharat Rhamratan, MD, Chief Science Officer


Project Management Officer: Mark Hasbrouck, VP Business Development Physician Group

Brown Workstream Team Members

Research and Academic

- ***Co-Lead: Jack Elias, MD, Dean, Warren Alpert Medical School***
- Ed Hawrot, PhD, Senior Associate Dean for the Program in Biology
- Sharon Rounds, MD, Associate Dean for Clinical Affairs
- Allan Tunkel, MD, PhD, Senior Associate Dean for Medical Education

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