

Care New England, Southcoast Health agree to explore affiliation

Partnership would create one of New England's largest not-for-profit, community-based health care systems

PROVIDENCE – After conducting an extensive request for proposals process, the Providence Rhode Island-based Care New England Health System (CNE) has chosen Southcoast Health System, Inc. (SHS), a four-hospital health care system located in southeastern Massachusetts, as a potential strategic partner. The two organizations have signed a Letter of Intent (LOI) to engage in exclusive discussions and to work toward the goal of forming a new not-for-profit parent organization that would oversee both systems.

The announcement came November 16 from **DENNIS D. KEEFE**, president and CEO of Care New England, and **KEITH A. HOVAN**, president and CEO of Southcoast.

If the two health systems come together, the new organization would become one of New England's largest not-for-profit health care systems dedicated to the advancement of population health, the delivery of community-based care and a commitment to academic medicine. It would encompass eight hospitals, an expansive network of ambulatory sites, two established Accountable Care Organizations, more than 1,700 aligned physicians and providers, a continuation of the academic relationship Care New England currently enjoys and the educational relationship Southcoast currently enjoys with The Warren Alpert Medical School of Brown University, and the responsible stewardship of charitable assets.

The announcement follows a comprehensive and deliberative process undertaken by the Care New England Board of Directors to assess the need for a strategic partner and enlist proposals from a number of organizations.

During that process, the Care New England Board and senior leaders evaluated potential partners against defined criteria and considerations which included clinical program quality, population health management, physician enterprise, academic focus, governance and corporate infrastructure, capital commitment, community benefit, and mission alignment. That confidential process concluded favorably after the Board voted unanimously to select Southcoast Health for exclusive negotiations.

"In most every respect," commented **GEORGE W. SHUSTER**, chairman of the CNE Board, "Southcoast represents the best possible choice in enabling us to move forward strengthening quality, transitioning to population health, improving the value proposition, finding the right structural and cultural fit for both organizations, and maintaining our valued relationships with key academic, provider and organizational partners. We believe this partnership will truly be a win for our community."

"We are pleased that Care New England has selected Southcoast Health as their preferred choice to enter into exclusive negotiations," said **JEAN MACCORMACK**, chair of the Southcoast Board. "This partnership will further enable our health systems to continue providing our patients with the high quality care they have come to expect and deserve. Care New England is a highly respected health system that shares our values, vision, and culture, and our dedication to patients, their families and care providers. It is a trusted organization with a wide array of advanced services and innovative programs. This partnership reaffirms Southcoast's commitment to our

not-for-profit mission of promoting the optimal health and well-being of individuals in the communities we serve."

The execution of the LOI, which was also unanimously approved in separate action by the Southcoast Board, now paves the way for the two organizations to conduct due diligence and work toward the development of a definitive agreement. The hope is, following this phase, the organizations would agree to partnership terms and move forward with the needed approvals, including state and federal regulatory processes.

"We believe the complementary services of Southcoast and the geographic span of their service area will enable us to advance the high quality, high value continuum of care we have been building," said Keefe. "We already see the common ties to community and an unwavering commitment to mission and values both our organizations share, and we look forward to further study of the partnership potentials that could come to fruition in a new vision for health care delivery for our region."

"Southcoast has long been focused on providing the very best care within our region of Southeastern Massachusetts and Rhode Island, finding ways to remain highly competitive, cost effective, and at the forefront of technological and strategic change," said Hovan. "We believe that Southcoast can be a strong and complementary partner for Care New England, and that together our respective organizations could form the foundation of a highly competitive, community-based and value-driven integrated health care system throughout southern New England." ❖