



GENERAL

Is the merger now final?

Yes, on October 1, St. Peter's Health Partners (SPHP), a new, not-for-profit organization, became the "parent corporation" for Northeast Health, St. Peter's Health Care Services and Seton Health. While the new organization became operational on October 1, full integration may take up to three years.

What is St. Peter's Health Partners?

SPHP is the region's largest and most comprehensive not-for-profit network of high-quality, advanced medical care, primary care, rehabilitation and senior services. These state-of-the-art services and programs will be provided through Albany Memorial Hospital and St. Peter's Hospital in Albany; Samaritan Hospital and St. Mary's Hospital in Troy; Sunnyview Rehabilitation Hospital in Schenectady; as well as The Eddy system of continuing care and The Community Hospice.

Why did we merge?

It is our belief that by combining our complementary strengths, we can significantly improve our ability to meet the health care needs of the region through more coordination, improved efficiency, reduced fragmentation of care and improved access for the poor and underserved people in the Capital Region and beyond.

Whether we merge or not, change will and must occur in our organizations. Continuous state budget cuts and federal health care reform will result in significant reductions in Medicaid and Medicare reimbursements. Health care reform also will bring an unprecedented number of newly insured/covered patients seeking care. By transforming health care at the regional level, our organizations will be much better positioned financially to meet future challenges. Our system can be proactive, not simply reactive to the changing environment.

How does the merger benefit our community, staff and physicians?

The merger creates a foundation for consistent care management across all care levels by improving access, enhancing quality and making better use of scarce resources. Staff will have the security and assurance of knowing that the merged organization will be financially strong with a commitment to staff development and a supportive work environment. The new system will also offer staff greater opportunities for professional growth and a chance to experience a variety of practice settings within the same system.

The new system will afford employed and private practice physicians greater opportunities to work together with our hospitals to design new service delivery models to improve quality and reduce costs. Additionally, the new organization will assist physicians in creating more supportive practice environments that will aid in physician recruitment.

Does SPHP have a mission statement?

In recognition of the importance of mission in everything we do, the Board approved the SPHP mission statement at the first organizational meeting on September 27. Our new mission statement reflects the heritages and traditions of all three organizations and continues their legacies of care. The new St. Peter's Health Partners mission statement reads:

"Founded in community-based legacies of compassionate healing, we provide the highest quality comprehensive continuum of integrated health care, supportive housing and community services, especially to the needy and vulnerable."

How will the merger impact the cultures of the organizations?

Since August 2010, the Culture and Mission Workgroup has been planning for the cultural integration of our new organization. As a first step, the group felt it was important to understand staff's view of the existing cultures, including the values and practices of which they are most proud. To accomplish this, employees from all three organizations participated in a Cultural Climate Survey. The overall response rate was very high at just over 83 percent. Key favorable findings were shared with staff in September. As we move forward with the integration of our existing cultures into a new vibrant culture, our shared core values of respect, excellence, stewardship, community, integrity and creativity will continue to serve as our guide.

LEADERSHIP & GOVERNANCE

Has the leadership team been identified?

In early August, in addition to Steve Boyle, CEO, and Jim Reed, MD, President, 15 members of the senior leadership team were announced. (A full list of the Senior Leadership Team is available at the SPHP web portal www.sphp.com). Further work is underway to develop a fair and equitable process for determining organizational structures throughout the new system, including the appointment of additional leadership and management staff.

Where will the corporate offices be located?

Officially, the corporate address is 315 South Manning Blvd., Albany, New York 12208, the same address as St. Peter's Hospital. However, Jim Reed, MD, President, will continue to use his office at the Krause Center in Troy, but will also maintain a second office at St. Peter's Hospital. Steve Boyle, CEO, will retain his office at the hospital and members of the senior leadership team will remain at their current locations.

How will St. Peter's Health Partners be governed?

SPHP will be governed by a board structure with membership drawn from all three organizations. The new SPHP Board of Directors met for the first time at the September 27 organizational meeting. Robert Johnson and Sydney Tucker Jones were elected co-chairs of the new board.

Who will be the religious sponsor for St. Peter's Health Care Services and Seton Health after we merge?

SPHP is now the "parent" for the Northeast Health, St. Peter's and Seton Health systems. SPHP is a member of Catholic Health East (CHE), but the new organization will be a secular organization. St. Peter's is currently a member of CHE. Northeast Health and Seton Health are also now part of CHE. Seton Health will retain its current religious sponsorship by the Daughters of Charity. St. Peter's will continue to be sponsored by the Sisters of Mercy. Northeast Health will remain a secular organization; St. Peter's and Seton will maintain their Catholic health care system identities.

What is Catholic Health East?

Catholic Health East (CHE) is a Catholic health system co-sponsored by nine religious congregations and Hope Ministries based in Newtown Square, Pennsylvania. The CHE system includes 33 acute care hospitals, four long-term acute care hospitals, 25 freestanding and hospital-based long-term care facilities, 14 assisted living facilities, four continuing care retirement communities, eight behavioral health and rehabilitation facilities, 37 home health/hospice agencies, and numerous ambulatory and community-based health services. More information is available at www.che.org.

SYSTEM IDENTITY

Can we now begin using the new name?

The new name - St. Peter's Health Partners - is now official and banners were placed on Albany Memorial, Samaritan, St. Mary's and St. Peter's hospitals announcing that "We Are St. Peter's Health Partners." However, the actual roll-out of the new brand will not begin until 2012.

For most consumers, there will be little immediate change in the identification of programs and services provided by the merging organizations. Certain parts of the new organization, particularly those in the organization's corporate, business and financial departments, may begin using the new name and graphic system later this year.

Work on a detailed Brand Implementation Plan will begin. Full implementation will incorporate the new name on signage, advertising, corporate web site, stationery, employees' badges, facility signs, vehicles, publications, bills, forms, checks, etc. - everywhere that Northeast Health, St. Peter's Health Care Services and Seton Health are

being used. Like the system design, full implementation of the new brand will take two to three years.

Does SPHP have a web site?

Yes, a new web portal has been created for St. Peter's Health Partners. The web address is www.sphp.com. It features information and news about the new organization, as well as links to the existing web sites of St. Peter's Health Care Services, Northeast Health and Seton Health. It also links to employment opportunities at all organizations within St. Peter's Health Partners.

Will the individual organizations keep their names?

Yes, the names of all four acute care hospitals in the new system – St. Peter's Hospital, Albany Memorial, Samaritan and St. Mary's, as well as Sunnyview Rehabilitation Hospital – will be retained as part of the new brand.

The Eddy, The Community Hospice, and the system's five charitable foundations will become strong "sub-brands" within the new system.

PLANNING & INTEGRATION PROCESS

What progress has been made on system integration?

Clearance for the merger by the Federal Trade Commission (FTC) in April 2011 allowed the three organizations to begin the final Planning and Integration Process to bring the Affiliation Agreement and the conceptual design of the new health system to an operational level.

In early August, approximately 30 members of the senior leadership team of Northeast Health, St. Peter's Health Care Services and Seton Health were named to nine different workgroups to begin the formal integration process. These work groups included: Human Resources; Information Technology; Finance, Business Intelligence & Audit; Revenue Cycle & Reimbursement; Supply Chain; Clinical Operations; Clinical Programs; Mission Services; and Communications.

The workgroups had two primary functions. First, the groups prioritized work that needed to be done for the inaugural day of the new system on October 1. Second, the groups began the work to study, recommend and prioritize functions and services that might be combined and what changes must be made for the current systems to be integrated over the next few years. Work plans are being developed to complete the highest priority activities.

Among the highest priorities are plans to:

- simplify access for, and transfer of, patients throughout the system;
- "harmonize" employee compensation and benefits, and integrate employee policies and recruitment across all of the system's existing organizations;
- integrate electronic systems, and other programs and processes for purchasing equipment and supplies;
- integrate financial policies and systems for payroll, accounting, budgeting and reimbursement, including the development of a system-wide centralized billing office; and,
- integrate system-wide information management systems.

How will the new system work with the physician community?

A key initiative will be to work with physician partners both employed and those in private practice to build a strong foundation of physician skill and knowledge to successfully respond to new patient care management and payment models. The strength of the system's primary care network will be essential to the new system's ability to succeed in these initiatives.

SYSTEM DESIGN

Have there been any changes due to the merger?

Yes, some integration has already taken place within the system. All home care within the new company is organized under Eddy Visiting Nurses Association (Eddy VNA). St. Peter's Hospital Home Care discontinued taking new patients September 30, 2011, and will completely cease operations at the end of November 2011. Seton Health's home care agency closed in August. Most patients and employees of the two closed agencies were transitioned to Eddy VNA.

In addition, Inpatient Physical Medicine and Rehabilitation beds located at St. Peter's Hospital will be transferred to Sunnyview Rehabilitation Hospital in Schenectady.

A Certificate of Need has been filed with the New York State Department of Health to expand cardiac care capabilities at Samaritan Hospital in Troy allowing the facility to perform angioplasty (opening of heart arteries with a balloon or stent). The new capabilities could begin as early as January 2012. The facility would be integrated with St. Peter's Cardiac and Vascular services.

Concurrent with the merger, on October 1, Samaritan Hospital closed its maternity services and Burdett Care Center opened. Burdett Care Center, located on the second floor of Samaritan Hospital, is a separately licensed hospital providing pre-natal care, birthing and sterilization procedures (tubal ligations and vasectomies). Burdett Care Center was created to honor Northeast Health's commitment to ensure reproductive services continue to be available in Rensselaer County.

The transition to Burdett Care went very smoothly and there was no disruption in patient care. In mid-October, the Seton Health Childbirth Center will also close and transition labor and delivery services to the Burdett Care Center.

STAFF

Will there be layoffs?

In order to accomplish transformational change, there will be an impact on jobs. Many of the changes require Certificate of Need approval or other regulatory approval. Some involve significant construction and/or renovation. Most changes would likely occur over a three-year period following the merger.

In a joint statement, the CEO and President of SPHP said, "Health care reform will bring dramatic changes to health care institutions throughout this country. Change is coming. We can either make changes at the local level with a thoughtful, strategic, system-based approach, or we can have change imposed upon us. Northeast, St. Peter's, and Seton are merging to enact health care reform at the local level – to improve when, where, and how care is provided. "

“While the primary reason for this affiliation is not to reduce jobs, it is likely that at the end of the integration process there will be fewer positions. Any reduction, however, will be significantly less than if we did not merge and had to face the coming changes as individual institutions. Our goal is to retain skilled individuals – perhaps some performing different jobs, some in different locations – in a more stable organization and work environment. Although services and programs may move, patients still need to be cared for regardless of physical location.”

“In the event that there are job changes or reductions, employees will be treated fairly and compassionately. Reductions in our more than 11,700 employees will be mitigated by annual attrition rates of 10 to 12 percent. These institutions have a tradition of valuing staff and minimizing the impact to staff as changes occur. This has been the case in changes that have already occurred as a result of this merger. Our goal is to continue that tradition as we move through the integration process.”

What about benefits and salaries?

Now that the merger is complete and we can share salary and benefit information, we will begin the analysis of programs and pay practices to move toward more consistent pay and benefits. Like the system design, full implementation will take two to three years.