



Department of Health

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Providence, RI 02908-5097

TTY: 711
www.health.ri.gov

VIA ELECTRONIC MAIL

September 18, 2018

James E. Fanale, MD
President and CEO
Care New England Health System
45 Willard Avenue
Providence, Rhode Island, 02905

Dear Dr. Fanale:

The Rhode Island Department of Health (“RIDOH”) is in receipt of your letters dated August 8, 2018 and September 5, 2018 requesting expeditious review of a Care New England Health System (“Acquiree”) and Partners HealthCare System, Inc. (“Acquiror”) hospital conversion application. Please be advised it appears all necessary information has been provided for RIDOH to make a final decision. However, RIDOH finds that some information contained in your letters may conflict with information issued in an August 14, 2018 press release from Care New England. Please address the conflicting information described below so that RIDOH can make a final decision on your request.

On August 14, 2018, Care New England issued a press release noting, among other things:

The financials for the first nine months of FY 2018 for the Obligated Group has improved \$46.8 million from the same nine-month period last year. Of note, Butler, Kent, and Women & Infants hospitals and the VNA of Care New England are all profitable from operations through the third quarter ending June 30, 2018.

Yet in your September 5th letter, you indicated that Butler met two of the “distressed” statutory criteria in the third quarter of FY 2018, the only operating CNE system hospital to do so.

R.I. Gen. Laws § 23-17.14-12.1 (2), requires that the Acquiree operates one or more distressed Rhode Island hospitals facing significant financial hardship that may impair its or their ability to continue to operate effectively without the proposed conversion.

Accordingly, and in consideration of Care New England’s present and forecasted financial condition, please reconcile the above noted information contained in the press release, your September 5th letter, and the statutory requirement of operating one or more distressed hospitals facing significant financial hardship.

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If you have any questions, please contact me at (401) 222-1626.

Sincerely,

A handwritten signature in black ink that reads "Michael K. Dexter". The signature is written in a cursive, slightly slanted style.

Michael K. Dexter
Chief
Center for Health Systems Policy and Regulations

cc: Charles W. Normand, Esq. (via e-mail)
Ashley M. Taylor, Esq. (via e-mail)
Cynthia J. Warren, Esq. (via e-mail)
Stephen Morris, Esq. (via e-mail)