**GENERAL**

**Has the Federal Trade Commission (FTC) finished its review?**
Yes, the Federal Trade Commission (FTC) has closed its Civil Review of the merger of Northeast Health, St. Peter’s Health Care Services and Seton Health without challenging the merger. This action allows us to move forward with the legal and regulatory steps necessary to finalize the merger.

**When will the merger be finalized?**
We expect to finalize the merger late this summer.

**Why are we merging?**
- It is our belief that by combining our complementary strengths, we can significantly improve our ability to meet the healthcare 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 healthcare 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.
- What will not change is our shared commitment to quality and excellence, caring for our patients and residents with dignity and compassion, and respect for the rich history and traditions that have brought our organizations to where we are today.

**How will the merger benefit our community, staff and physicians?**
- The merger will create a foundation for consistent care management across all care levels by improving access, enhancing quality and making better use of scarce
resources. The new system is committed to advancing cardiovascular and cancer care in the Capital Region with significant investments in Troy to improve access for the residents of Rensselaer County.

- 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 would aid in physician recruitment. The system will also work with physician specialists to identify strategies to reduce their on-call burden.

**How will the merger impact the cultures of the organizations?**

We expect a new richness of cultures that benefits from the combined strengths of the legacy organizations. We would all like to believe that the traditions and cultures of each of the current organizations will remain exactly the same. To retain these customs is comforting to us. Reality would suggest, however, that things will never be exactly the same, and that is a positive thing. The new system created from the legacy organizations will likely have new aspects to its culture and some new traditions. Each of the current organizations will retain much of their current cultures. At the same time, each may influence the others.

**What will happen to the foundations?**

The existing foundations will continue to raise funds in support of their respective organizations and those funds will be designated just as they are today.

**LEADERSHIP & GOVERNANCE**

**When will the senior management team be announced?**

As announced previously:

- Steven Boyle, currently president, CEO, St. Peter’s Health Care Services, will be Chief Executive Officer. James Reed, M.D., currently president & CEO, Northeast Health, will be President. Both will report directly to the new Board of Trustees.
- A permanent senior management structure will be developed as part of the planning and integration phase.

**Where will the corporate offices be located?**

That decision has not yet been made.

**Will each of the organizations still have its own Board of Trustees?**

No, the new company will be governed by a board structure with membership drawn from all three organizations.

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

- A new not-for-profit organization will become the “corporation” for the Northeast Health, St. Peter’s and Seton Health systems. The creation and start of operation of
the new parent corporation will signify the actual completion of the merger.

- The new parent corporation will join Catholic Health East (CHE) as a member, but the new organization will be a secular organization. St. Peter’s is currently a member of CHE. Northeast Health will also join CHE. Seton Health, currently owned by its parent corporation, Ascension Health, will also become 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 healthcare system identities.

**What is Catholic Health East?**
Catholic Health East (CHE) is a Catholic health system co-sponsored by 10 religious congregations and Hope Ministries based in Newtown Square, Pennsylvania. The CHE system includes 34 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**

**What is the name of the new organization?**
Significant progress has been made in the process to select a name and identity for the new organization, but work continues. Once the final recommendations have been presented to the boards of the three organizations this summer, an Implementation Plan, along with a timeline, will be developed. The new identity will not be adopted until the new corporation is formed by the final merger transaction.

**SYSTEM DESIGN**

**How were these system design recommendations developed?**
Deloitte Consulting, a firm consisting of professionals from many administrative and clinical disciplines, was engaged to help with system design ideas and recommendations. The Deloitte team worked with us to gather information and data on service lines, facilities and physical plants, operations and finance from the three organizations. They reviewed this information against best practices and system design models being used throughout the industry. Deloitte’s recommendations helped to maintain focus on the overall goal of the affiliation --- to fulfill our commitment to reform healthcare at the local level by improving when, where and how care is provided.

**Why is Samaritan the medical/surgical hospital and St. Mary’s the Ambulatory Center?**
The facility and physical plant review was key in determining much of the realignment of services, particularly in Troy. Samaritan was selected as the medical/surgical location due to its larger overall bed capacity, larger OR suite and larger and more flexible site plan. It also requires less immediate investment in capital improvements. Also, in order to abide by the Ethical and Religious Directives, the Burdett Care Center had to be located on the Samaritan campus.
Will St. Mary’s still be a hospital?
Yes, St. Mary’s will continue to be licensed as a hospital.

In two to three years, when St. Mary’s no longer has medical/surgical beds, but still has an emergency department, will patients who need to be admitted be transferred to Samaritan?
Yes, patients needing hospitalization will be transferred to Samaritan Hospital. This is similar to what happens today when a patient goes to an emergency room and needs specialized care that is not provided at our hospitals, i.e., a patient who requires cardiac surgery would be transferred to St. Peter’s. St. Mary’s emergency department will continue as a full service emergency department.

What services will be offered at Samaritan Hospital?
Samaritan Hospital will become the sole facility in Troy to offer inpatient medical/surgical and critical care. Samaritan will also be the location for a catheterization laboratory with new angioplasty capabilities integrated with St. Peter’s cardiovascular services. Burdett Care Center, an independent, separately licensed hospital offering maternity and reproductive services, will be located on the Samaritan Hospital campus.

What services will be available at St. Mary’s Hospital?
St. Mary’s will become the focal point for the new system’s behavioral health programs and a consolidated ambulatory care center with a new cancer treatment center for Rensselaer County. St. Mary’s will retain emergency services and serve as the centralized location for community education and outreach.

What services will Albany Memorial Hospital provide?
Albany Memorial will continue as a community medical/surgical hospital with a specialty focused surgical program. Additionally, it will retain emergency services and emphasize ambulatory and short-stay surgery.

What is short-stay surgery?
Short-stay surgery is less complex surgery that requires a shorter length of stay. The specific procedures will be decided as we move through the Planning and Integration Phase.

Will there be any changes at St. Peter’s Hospital?
St. Peter’s will be the system leader in the provision of complex inpatient care and the site for further advances in cardiovascular care, cancer care, women and children services including NICU, neurosurgery, urology, GI and others. However, to improve efficiency and make the best use of system resources, inpatient Physical Medicine Rehabilitation beds will be transferred to Sunnyview Rehabilitation Hospital in Schenectady (also part of Northeast Health) and inpatient substance abuse beds will be transferred to St. Mary’s Hospital in Troy.

When will the changes presented in the System Design be implemented?
• The next step is the Planning & Integration Phase. In the next few weeks, management, physicians and staff will be asked to participate in work groups. These work groups will bring the strategic outlines and conceptual design to an operational level.
• Action Plans will then be developed in order of the highest priority activities. Many of the proposed changes will require Certificate of Need or other regulatory approval. Some involve significant construction and/or renovation. For these reasons, we expect the implementation process will take approximately three years.

Will management and staff from all three systems be represented within the Planning & Integration Workgroups? How will members be selected?
Executive Management will be working with Deloitte Consulting to prioritize the planned integration activities and the supporting Planning & Integration workgroups. Workgroup participants will be chosen from all three entities by subject matter expertise and appropriate staff from all related entities will be represented.

Will there be any changes in long term care?
• While System Design looked at all aspects of the organizations, the major focus was on acute care services (hospitals) and rehabilitation.
• However, long-term care will be a hallmark of the new system and to better coordinate and integrate best practices, all long-term care, home care, sub-acute and acute rehabilitation, and hospice will be organized under The Eddy.
• Areas that will be explored for opportunities to expand include Hospice and Palliative Care, sub-acute rehabilitation, and a Program for All Inclusive Care for the Elderly (PACE) serving Albany, Rensselaer and Saratoga counties.
• The new system will also build upon the strengths of key facilities and programs currently within Northeast Health and The Eddy, St. Peter’s Health Care Services, and Seton Health to provide a comprehensive continuum of healthcare, supportive housing and community services for the elderly. Goals will include advancing the system’s reputation for excellence in geriatrics, maximizing best practices across all long-term care and improving transitions across all care levels.

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.

When do you anticipate the further integration of the primary care practices?
The role of the primary care network within System Design will be reviewed during the Planning & Integration Phase. The new organization’s primary care network will be key to our ability to proactively respond to new patient care management and payment models. As we move forward with System Design, we will need staff and physician input. This is a very complex process that will be reviewed and addressed over the next three years.

What about those services or programs which were not included within the System Design recommendations?
The proposed System Design is conceptual and broad-based. As we move forward with the Planning and Integration Phase, work groups will look at how we integrate complementary services and programs. This process will take place over a three-year period and we will keep everyone informed as we move forward.
What are the core programs/services that are centralized at CHE?
Core services/programs include Information Technology, Supply Chain Management, Insurance Procurement, Insurance Claims Administration and the Workers Compensation Program.

Will the new organization be required to consolidate these services at CHE?
As we move forward with the Planning & Integration Phase, there will be several work groups formed to determine what functions and services must be integrated and the time line for that integration.

REPRODUCTIVE SERVICES

What is Burdett Care Center?
As noted previously, while Northeast Health will continue to be a secular organization, the new organization will abide by the Ethical and Religious Directives (ERDs) for Catholic Health Services. However, Northeast Health remains committed to ensuring that reproductive services are available in Rensselaer County. In light of that commitment, Northeast Health is creating Burdett Care Center (BCC), a separately licensed hospital that will provide maternity and reproductive services on the Samaritan campus. BCC will become operational at the same time the merger between St. Peter’s, Northeast Health and Seton Health is finalized.

When will St. Mary’s maternity services move to Burdett Care Center?
St. Mary’s services will not move until after the merger has been completed. That date has yet been determined.

STAFF

Will there be layoffs?
• As merged entities, we will have far more options to efficiently allocate resources, consolidate services, and improve quality, efficiency and the patient experience. The anticipated changes will be transformational and will impact jobs. However, the primary reason for this affiliation is not to reduce jobs. Our goal is to retain skilled individuals - perhaps some performing different jobs, some in different locations. Although services and programs may move, patients will need to be cared for regardless of physical location.
• In the event there are job reductions, employees will be treated fairly and compassionately. Reductions in full-time employees will likely be mitigated by annual attrition rates of 10 to 12 percent.

If there are staff/management reductions, how will those decisions be made? Will there be severance?
• All three organizations are working together to finalize a unified Workforce in Transition Policy that will ensure that management and staff positions are filled based on fair and consistent standards. The policy will be shared well before any potential staff reductions.
• All three organizations have a tradition of valuing staff and minimizing the impact to staff as changes occur. That tradition will continue as we move through the
integration process.

**What about benefits and salaries?**
Up until this point, we could not share specific salary, benefit or pension information. Now that these barriers have been lifted, we can review and share this data and are committed to answering your questions as soon as possible. Our goal will be to move toward a more consistent practice for compensation and benefits among the three organizations. This process of combining compensation and benefits will begin in 2012. It will take two to three years to complete this process and, as always, we will benchmark potential changes/adjustments against the industry standard.

**Will I lose my seniority when we merge?**
No, all staff will retain their seniority from the date of hire in their current organization.

**What if I currently work at two of the merged organizations?**
Human Resources is working closely with Finance to develop a policy to develop a fair and consistent policy for employees who currently work at more than one of our merged organizations.

**Will we operate under our current budgets until 2012?**
Yes, we will operate under our 2011 budgets. The institutions will create a joint budget for the new organization in the future. Timing of the creation of that budget is yet to be determined.