

## **Mayo Regional Hospital is at a crossroad; a factual analysis 2019**

It has been my honor and pleasure to serve our local communities on two fronts over the last 32 years: as a physician and as a Mayo Regional Hospital board member. The Hospital's financial status is in serious peril. With an operating loss of \$2 million through the first 6 months (operating margin of -7.48%) year to date, we could potentially see an operating loss of \$4 million by the end of the fiscal year. This trend is unsustainable and the genesis of consideration of a merger with Northern Light Health. This process has been addressed for several years and has culminated in the passage by the Mayo Board of an "Agreement and Plan of Merger" between the two institutions.

The merger and affiliation that the board overwhelmingly approved is dependent on a change in legislation. The change would amend the present charter to allow a merger to take place after a positive town vote. Without it we may not be able to proceed.

Based on the financial picture alone, a merger with Northern Light Health speaks for itself. Our institution is attractive to Northern Light today, but if this downward financial trend continues, it may not be the case six months from now. Moving ahead expeditiously is critical.

This merger would bring a number of benefits. For example, the development of an aggregate Piscataquis County health care delivery system providing enhanced quality of care could be instituted. Northern Light C.A. Dean Hospital in Greenville would become a "sister" hospital, allowing more provider choices and enhanced access and coverage. In addition, retention of specialty clinical services, recruitment and retention of providers, call coverage and access to care would be eased.

The alternative is the potential loss or significant downsizing of Mayo Regional Hospital. With almost 400 full time employees and their families the effects on our local economy would be devastating. Even more importantly, many clinical services that we depend on would vanish. Finding a provider would become more challenging and access to local care and reliable coverage would be compromised.

As you are probably aware, we are not alone. The national trend for rural hospitals shows financial challenges and a search for hospital system affiliation. The gloomy picture has already struck close to home with the bankruptcy of Penobscot Valley Hospital in Lincoln. An affiliation with Northern Light is imperative.

Over the last 30 years, as a surgeon, so many of you have trusted me with your lives. I cherish that trust and confidence that you have vested in me. Today I write to you as Vice Chairman of the Mayo Regional Hospital Board of Directors, as your elected official, and a fellow community member. Together, we must assure that Mayo Regional Hospital remains viable and continues to deliver comprehensive quality care through this proposed merger. Please vote for the question of the proposed merger on April 30, 2019 at 6 PM at the Sangerville Fire Station.

Richard. M. Cabot, MD  
Trustee, Mayo Regional Hospital; Vice Chair  
Sangerville