

# Harrington HealthCare expansion keeps eye on bottom line

## Medical system's growth meets community, business needs

By Brian Lee

TELEGRAM & GAZETTE STAFF

In 2007, Harrington Hospital of Southbridge did not draw many patients from out of town.

However, its board of directors realized that if the trend continued, the nonprofit would dwindle in its isolated locale, said board chairman James Waddick.

In July 2007, the board hired Edward H. Moore as president and chief executive officer. Mr. Moore recalled that at the time, the 114-bed Southbridge campus had a fair reputation. But it was losing patient volume, as well as primary care physicians. Its physical plant was aging.

Mr. Moore agreed that Harrington should grow, or else watch as competitors filled gaps in the region.

Seven years later, Harrington is now a robust network called Harrington HealthCare System, with 19 offices, including its newest and most northern location in Spencer.

It has a \$14 million Cancer Center in Southbridge through a joint venture with the for-profit corporation 21st Century Oncology.

In addition, the center's medical oncologists are physicians from the University of Massachusetts Medical School in Worcester.

Mr. Moore said he is happy to partner when it makes sense, as long as Harrington maintains its independence.

In one of its boldest moves, in 2009 the nonprofit assumed operation of the former Hubbard Regional Hospital in Webster, which had neared bankruptcy and had what Mr. Moore called a "horrible" emergency room facility. The Webster hospital now has a new \$9 million Emergency Department with money raised in private fundraising and from the state.

Taking over the Webster facility, at Hubbard's request, wasn't necessarily on Harrington's radar in 2009, what with all Harrington had been involved in at that time, Mr. Moore said.

But the same belief that a Worcester medical facility might get involved if Harrington didn't, possibly cutting into Harrington's footprint, justified what Mr. Moore called the risk.



Heather Staniszewski, R.N., head nurse, works in the infusion area Dec. 17 at The Cancer Center at Harrington. The \$14 million Cancer Center is a joint venture with 21st Century Oncology, with oncologists from UMass Medical School in Worcester.

The Webster hospital now has growing outpatient services and a psychiatric unit, in addition to the new emergency department.

Harrington HealthCare has about 1,300 full- and part-time employees.

One of 22 community hospitals in the state, Harrington's fiscal picture looks sound. It ran at a \$4.6 million surplus in fiscal 2013, and its cash-flow-to-debt was 31.4 percent, according to the state's Center for Health Information and Analysis.

Mr. Moore said its annual net revenue is now close to \$130 million, more than double what the system was earning when he arrived. Its expenses have gone up commensurately.

The system's medical staff has grown from fewer than 100 active doctors, to close to 200, and about 80 percent of the medical staff is employed by the system under a separate corporation called Harrington Physician Services, Mr. Moore said.

The physician services model was set up because many doctors don't have the ability or interest to set up private practices these days, he said.

Harrington HealthCare at Spencer, at 118 W. Main St., opened last year above the Webster First Federal Credit Union bank.

"Spencer would normally be thought of as a Worcester suburban location," Mr. Moore said. "But if you take Route 9 in, you're going to hit traffic."

But it is a short drive south from Spencer on Route 49 to Harrington HealthCare at Route 20 in Charlton, for certain services such as an MRI.

Or for additional services, a patient can get to the main campus or the cancer center in Southbridge from Spencer in 17 minutes, he said.

That realization, along with the recruitment of three or four internal medicine physicians from a competitor, opened up Spencer as a new market, he said.

Meanwhile, the visible five-year-old, \$6 million leased location on Route 20 in Charlton will begin offering urgent care in the 20,000-square-foot building next spring.

To make room, it will move its successful wound care program into Harrington HealthCare at 169 on Route 169 in Charlton.

Five to 10 years ago, few facilities in the state were highly interested in urgent care, Mr. Moore asserted. But on the continuum of population health management, there is a greater interest in urgent care as an alternative to tying up an emergency room at a higher cost, he said.

Equally important was the notion that if Harrington didn't offer urgent care, another entity, possibly from the Worcester area, would, the CEO said.

"I'm not just going to give it away without making the effort ourselves," he said.