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Heywood Hospital and Athol Memorial Announce Strategic Alliance

(Gardner, MA) Heywood Hospital and Athol-Memorial Hospital announced today that they have agreed to a letter of intent with the goal of forming a strategic alliance between the two hospitals.

“We see the agreements with Athol Memorial as forming the basis for a true health care *system* in North Central Massachusetts,” said Heywood President and CEO, Winfield S. Brown, MSB, MHA, FACHE. “This system would provide a greater breadth and depth of health care services along a wider continuum of care and provide greater coordination of care – which will enhance both access and the quality of care patients receive.”

Under the agreement, there would continue to be two hospitals governed by a single board of trustees drawn from the current Heywood and Athol Memorial boards. The proposed organizational structure would include a common administrative parent, with Brown serving as president and CEO over the two affiliated hospitals.

“Affiliation between Athol Memorial and Heywood will provide long-term financial stability for these organizations, while retaining local control.” said Jim Meehan, interim president and chief executive officer of Athol Memorial Hospital. “Working together, we will be able to make investments in health care technologies, our health care staff and new and expanded services to meet the changing health care needs of the people of North Central Massachusetts.”

At the same time, the alliance will help both hospitals to realize economies of scale and efficiencies, best utilize resources, eliminate redundancies and duplication of services and streamline capital spending on new technology and equipment, while promoting more comprehensive effective regional care.

“The board fully supports this decision because it will help Heywood, Athol Memorial to get ahead of the curve of the dramatic changes that are happening in health care – both in the

market and as a result of state and federal government policy,” said Kenneth J. Pierce, chair of the Heywood Hospital Board of Trustees.

The agreement between Heywood and Athol Memorial follows a mutual decision by Athol and Vanguard Health Systems to encourage the hospital to seek a relationship with Heywood. “Saint Vincent Hospital has long wanted to see Athol Memorial Hospital continue its important community presence. While we had explored a formal affiliation with Athol, we support collaboration with Heywood Hospital as a way for this critical access hospital to continue offering highly local care. We congratulate the leaders of Heywood and Athol hospitals for working together to this end,” said Erik Wexler, president of Vanguard Health Systems - New England and CEO of Saint Vincent Hospital.

Heywood and Athol Memorial will now enter a period of intensive due diligence in order to assess the feasibility of a formal affiliation and anticipate that the due diligence period may take until the end of the calendar year to complete.

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About Heywood Hospital

Heywood Hospital is an independent, community-owned, non-profit 153-bed acute-care hospital located in Gardner, MA. Heywood Hospital provides a broad range of high quality medical, surgical, obstetrical, pediatric and behavioral health services on an inpatient and outpatient basis. Our Centers of Excellence include the Watkins Center for Emergency and Acute Care; the LaChance Maternity Center; the Diabetes Center; and the Heywood Heart Center, an affiliate of the Heart and Vascular Center of Excellence at UMass Memorial Health Care. Heywood’s nationally recognized Transitional Care Center was recently ranked among the best long-term and rehabilitation centers in the nation by US News and World Report. In addition to the main campus, Heywood Hospital has two satellite facilities, the Winchendon Health Center in Winchendon and the Heywood Rehab Center in Gardner, as well as a number of primary care practices in the region. Heywood Hospital also operates a school-based health center, the Murdock Health Center at the Murdock Middle High School in Winchendon.

About Athol Memorial Hospital

Athol Memorial Hospital is 25 bed not-for-profit acute care and outpatient facility serving the communities of the North Quabbin region since 1950. It is designated as a Critical Access Hospital and Primary Stroke Center, licensed by the Massachusetts Department of Public Health and accredited by the Joint Commission.