Partnership for a Healthy Future

Families First Health & Support Center and Goodwin Community Health announce their intention to merge.

Joining forces will incorporate the strengths of each organization to benefit patients, clients, staff and the community. Both organizations will still be in the same convenient locations, go by the same names, and provide the same high-quality health and wellness services that thousands of people in the Greater Seacoast area rely upon.
May 24, 2017

Dear patients, clients, friends and community members,

In an ever-changing health care environment, it is important to be proactive and responsive to community needs. That’s why we are very excited to announce that the boards of Families First Health & Support Center of Portsmouth and Goodwin Community Health of Somersworth have unanimously approved the terms of an agreement to merge. We expect to become one organization by the fall of 2017.

What the community most needs and loves about Families First and Goodwin will not change. Both will continue doing business under their current names and at their current locations. Both will continue to offer all existing programs and services and, with each other’s help, will expand those services over time.

The merger will create a single, regional organization that improves patient care and health outcomes through clinical integration, increases access to care and services, and positions the new organization to meet the demands of a rapidly changing health care system. It also brings operational efficiencies, economies of scale, and advantages in recruiting and retaining clinical staff. Families First and Goodwin are financially strong; this merger is not driven by a need to consolidate services, cut costs or reduce staffing levels.

During a deliberate three-year planning process, the organizations identified significant health care challenges in the region. These include high levels of chronic disease, lack of access to behavioral health and substance abuse treatment, provider shortages and an aging population — all in an increasingly complex and uncertain health care landscape. The merger will boost the health centers’ ability to meet these challenges while expanding access to integrated primary, behavioral, prenatal and oral health care; substance misuse services; public health and wellness programs; and parenting and family support.

Janet Laatsch, CEO of Goodwin since 2005, will lead the merged organization as CEO. Helen Taft, Families First Executive Director since 1989, will enjoy a very well-deserved retirement once the transition is complete. She will stay on through the transition period to assist with the integration of programs and services.

The merged organization will include Families First facilities in Portsmouth and Seabrook, Goodwin Community Health in Somersworth, and mobile health clinics in five Seacoast towns. We hope you will continue to visit our facilities and support our programs. Together, as a community, we can make health care accessible to all.

Regards,

Linda Sanborn, CPA, MBA  
Chair, Board of Directors  
Families First Health and Support Center  

David B. Staples, DDS  
Chair, Board of Directors  
Goodwin Community Health
Partnership for a Healthy Future: Overview

What?
Families First Health & Support Center and Goodwin Community Health have announced their intent to merge.

♦ The merger is anticipated to be completed in the fall of 2017.
♦ Goodwin and Families First will each still be in the same convenient locations and go by the same names.
♦ Goodwin CEO Janet Laatsch will lead the merged organization as CEO.
♦ Helen Taft, Families First Executive Director since 1989, will retire once the transition is complete.

Why?
1. A Good Fit: Shared Missions
This merger leverages the fact that Families First and Goodwin have:
♦ a 30-year history of collaborating and sharing best practices and resources
♦ nearly identical charitable missions, organizational structures and core services (integrated primary, prenatal, dental and behavioral health care)
♦ strong management and administrative operations
♦ cultures that are patient-centered and fiscally prudent
♦ adjacent service areas
♦ complementary skill sets and strengths, which will be shared to benefit clients

2. Expanding Opportunities
This merger will create operational efficiencies, financial advantages, economies of scale and clinical integration, including:
♦ expansion of programs and services, such as mobile health care, substance abuse treatment and parenting programs
♦ sharing of best practices to improve access, quality, and efficiency of services and operations
♦ ability to negotiate better benefits packages due to larger staff size, enhancing staff recruitment and retention
♦ financial advantages, such as more access to capital to support infrastructure and growth opportunities, and lower operating costs due to economies of scale
♦ further diversification of funding sources to enhance financial stability

3. Bigger is Stronger
This merger represents a proactive approach to meet the demands of a rapidly changing health care system.
Being larger gives the organization:
♦ strength in contract negotiations with larger health care organizations
♦ better positioning to benefit from new insurance systems that base reimbursement on patient outcomes and reduction of unnecessary costs, such as non-urgent ER visits
♦ a regionalized, integrated health care delivery system
♦ more opportunity to receive grant funding, resulting in enhanced programs and services

How?
♦ Now that the two Boards have approved an agreement of their intent to merge, the next step is to get approval from the office of the NH Attorney General and The NH Charitable Trusts Unit.
♦ Following this, the completion of the merger is expected to occur in the fall of 2017, at which point the organizations will share a legal name while continuing to do business under their existing names.
♦ A single Board of Directors will be created, comprised of 21 board members. Roughly half of the board members will come from each organization.
Partnership for a Healthy Future: Q&A

The Plan

Will Goodwin Community Health and Families First keep their own identities and facilities, or will one agency be folded into the other?

The organizations will keep their separate identities, do business under their existing names and keep providing all current programs and services at existing locations. A new legal name will be established for the merged organization but will not be used publicly because the names Goodwin and Families First are well-known and well-respected.

When will the merger happen?

Families First and Goodwin expect to become one organization in the fall of 2017, once the merger has been approved by the NH Office of the Attorney General’s Charitable Trusts Unit and the U.S. Health Resources and Services Administration (which provides partial funding for both agencies). Once merged, the organization will proceed with integrating financial, operational and clinical systems.

Who will lead the new organization?

Janet Laatsch, CEO of Goodwin, will lead the combined agency. A registered nurse with an MBA, she has been with Goodwin since 2001, starting out as a nurse and grantwriter. She became the CFO in 2004 and the CEO in 2005.

Helen Taft, executive director of Families First since 1989, will retire from her current position when the merger takes effect. She will stay on as a consultant during the initial phase of the transition. Helen was a driving force behind the effort to join the two agencies and feels very positive about this step.

The management structure below the CEO level will be determined over the next several months, before the merger takes place. It will include managers from both Families First and Goodwin.

Will staff from either location be laid off?

Layoffs are not planned and are unlikely to happen, for several reasons. After the merger, both Families First and Goodwin will continue providing the same services, at the same locations, to the same number of people, which means that roughly the same size workforce will be needed. Both Families First and Goodwin are leanly staffed already. This is not like mergers you may have heard about that are driven by a need to cut costs. In fact, one goal in becoming a larger organization is to improve employee recruitment and retention, given that both agencies often have open positions and New Hampshire’s unemployment rate is only 2.4%.

Will the two current boards of directors merge?

Yes. A single Board of Directors will oversee the combined agency. It will have 21 members, more than half of whom will be patients at one of the health centers, as is the case now. The new board will be comprised of a roughly equal number of members of the two current boards.

The Process

When did Families First and Goodwin begin talking about merging?

In August 2013, a 10-person committee consisting of four board members from each organization and both executive directors was formed to explore whether and how to increase and formalize our longstanding collaboration and reap further benefits. Prior to that, as community health centers serving adjacent regions, Families First and Goodwin had a three-decade history of sharing resources and ideas, serving together on regional and state boards and coalitions, and undertaking joint projects.

What process did you follow to make the decision to merge?

While the joint committee met every month for more than three years, each organization performed its own due-diligence process. The committee then brought in outside legal and financial experts to advise them. Finance and operations CPA Peter Epp of Cohn and Reznick evaluated the due-diligence materials and drafted financial projections for a combined organization. Attorney Mark McCue of Hinckley Allen conducted legal due diligence and reviewed different organizational models to determine which would be most suitable to combining Goodwin and Families First and satisfying the requirements of our federal funder, the Health Resources & Services Administration. Later, attorney Jackie Liefer of Feldesman Tucker Leifer Fidell LLP, who has expertise in merging community health centers, will help consolidate the organizations’ federal grants. In April and May 2017, first the joint exploratory committee and then the full Board of Directors of each organization voted to approve the proposed terms of agreement.

How was the new CEO chosen?

A selection committee made up of members of both boards of directors interviewed and nominated Janet Laatsch. Both full boards then voted unanimously to approve her as CEO.
Partnership for a Healthy Future: Q&A (continued)

About Families First and Goodwin

What are the main similarities between the missions and services of Families First and Goodwin?

Families First and Goodwin share very similar missions and a patient-first mentality focused on removing whatever barriers stand in the way of a person’s ability to access quality health care. Both accept Medicaid, Medicare and many private insurance plans, and both offer a sliding fee scale for uninsured and underinsured patients.

Both agencies provide primary and prenatal health care, dental care, counseling, medication-assisted treatment for substance abuse, benefits enrollment and care coordination.

What are the main differences between the two agencies’ services?

In addition to providing all of the above-named services:

- Families First also provides home visiting for families facing challenges, parenting classes, family programs, and mobile health and dental clinics.
- Goodwin also provides Intensive Outpatient Programs to treat substance use disorders and WIC nutrition services to Strafford and Carroll counties; partners with SOS Recovery Community Centers in Durham, Dover and Rochester; and has a pharmacy.

What region does each health center serve?

Individuals choose for themselves where they want to go for services, and will continue to do so. Both Goodwin and Families First attract people living throughout eastern Rockingham County and Strafford County in New Hampshire and southern York County in Maine. That said, Families First’s clients come primarily from Portsmouth and the immediate Seacoast region, while Goodwin’s come primarily from Strafford County.

Are both Goodwin and Families First in good health financially?

Yes. Unlike some mergers, this one is not driven by financial weakness on the part of one or both organizations. Rather, this is a proactive effort to position ourselves to benefit from future financial opportunities, as well as from synergies. Both Families First and Goodwin are in strong financial shape, with positive fund balances in recent years and clean audits. (We invite you to visit our websites to see our annual reports, audits and IRS Form 990s.) At the same time, agency leaders recognize that each organization is too small to benefit fully from changes in a health care environment that increasingly provides financial advantages to larger organizations, so we will join forces to improve our positions.
Impact on Patients

What will be different for patients?

Nothing will change before the merger is complete in fall of 2017, and very little will change for 6-12 months after that. Both Goodwin and Families First will still be in the same locations, go by the same names, and provide patients with the same access to the high-quality health and wellness services they’ve come to expect. There will be no immediate changes to fees, but the sliding fee scale will be adjusted from time to time, as it always has been. As is the case now, fees may be waived entirely in cases of hardship, such as homelessness.

In the long run – ranging from a couple of months to a couple of years after the merger – patients will be able to access more services, have more choice about where and when to be seen, and benefit from advances in technology that a larger organization has more capacity to invest in.

Impact on Donors

Will donors be able to designate contributions to either Families First or Goodwin alone?

Yes. After the merger takes effect in the fall of 2017 and the two organizations become one, donors will be able to earmark donations to support programs at Families First or programs at Goodwin. Any donation given or pledged between now and when the merger is finalized will automatically be directed to support programs at the center to which the gift was sent.

How are the expenses of the merger being covered?

A grant from the New Hampshire Charitable Foundation’s Thomas W. Haas Fund, Elizabeth G. Plumer Charitable Trust and Piscataqua Region Community Fund has covered costs of outside consultants and other expenses to date. The Foundation invested in this work because it supports the goal of proactively lowering costs and improving quality. Going forward, merger expenses will continue to be covered by grants, so that all donor contributions remain dedicated to community health programs and services.

Will the new organization need significant support from foundations, businesses and individuals?

Yes. Although one goal of the merger is to increase the reimbursement received from insurance companies, Goodwin and Families First collectively have over 3,200 uninsured patients, as well as many more who are underinsured. It takes a diversified range of funding sources – insurance reimbursement, patient fees, government funding, grants and donor contributions – to ensure that everyone can be served. It will be essential to maintain or increase income from grants and individual and corporate contributions. Families First has been successful at philanthropy throughout Rockingham County and plans to grow this program into Strafford County.
Public Forums

Two public forums will be held to share more detailed information and answer questions:

- Wednesday, June 21, 5:30 p.m.
  Goodwin Community Health
  311 Route 108, Somersworth

- Thursday, June 22, 5:00 p.m.
  Families First
  100 Campus Drive, Portsmouth

Contact

Your comments, questions or concerns are welcome. Please stay in touch.

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