



HEALTH & WELLNESS

Eastport and St. Croix health centers to merge, add services

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The boards of directors of Eastport Health Care (EHC) and St. Croix Regional Family Health Center, based in Princeton, announced this week that the two organizations will be merging to improve access to high-quality, comprehensive healthcare for the communities they serve. Health center officials say that the merger, to be finalized in the coming months, will expand the range of services provided to patients, increase access to healthcare and enhance care coordination so that patients can receive the right care, at the right time, close to home. Along with expanding services, the new organization will be adding a clinic in Calais and building a new health center in Eastport.

"At its core, this merger is about people -- our patients, our staff and the communities we serve," says Michael Farrell, chief executive officer of the St. Croix health center, who will be CEO of the new nonprofit. "By uniting two trusted organizations, we are creating new opportunities to expand access across the full complement of service lines while reducing barriers to care throughout the region."

Farrell points out that the two health centers have similar visions of expanding access to care. At the heart of the merger is "being a champion of patient focus," he says. The primary driver for joining the two health centers together is to strengthen their ability to serve the residents of Washington County in the face of changing external forces affecting healthcare delivery now and into the future.

"This merger gives us a much stronger voice to advocate for our patients' healthcare needs," says Ellen Krajewski, CEO of Eastport Health Care. "In the current shake-up of resources and power, we won't be left behind to scramble for survival. Our voice will be louder at the state and national levels, and our impact on health and communities bigger. We're locking in good, locally accessible care for patients into the future."

The merger will provide expanded access to a broader range of clinical and supportive services for patients; stronger recruitment and retention of providers and staff; enhanced care coordination and referral pathways between services and locations; and greater ability to invest in facilities, technology and innovative care models.

Patients will continue to receive care from the same providers, and no jobs will be eliminated as a result of the transition, Farrell and Krajewski point out. They add that the health centers' shared commitment to community-based, patient-centered care remains unchanged.

Reasons for merger

Krajewski says that, with the increased financial threats due to the change in the federal administration at the beginning of 2025, combined with the ongoing financial challenges of operating, the EHC board's priority was keeping the health center's doors open, which she notes "is like balancing on a knife's edge," because of the need to balance payment changes. With recent federal cuts, Maine will be losing between \$500 and \$800 million in Medicaid funding, and while it will receive \$190 million through the new Rural Health Transformation Program that was launched last year, the health centers will have to compete for even a slight portion of that funding. "It's just a small piece of what we're losing," she says of what the new funding will amount to for Eastport Health Care. "EHC will be losing hundreds of thousands annually."

Both organizations have clean fiscal audits, are in complete compliance with the Health Resources and Services Administration, have been awarded their Federally Qualified Health Center grants and are in the black for the current fiscal year.

However, the primary reason for the merger "is the people -- the staff and patients," says Farrell. Krajewski points out, "Having a stronger voice is pivotal in ensuring access to

care." The two health centers in Washington County will go from being in the bottom third for size in the state to being in the top third, which will help in adding more services.

Krajewski says, "Patients won't see any changes except in additional services, with more at one site." Farrell says that the service model will be more streamlined, "so we can take care of patients more easily," and patients will have more options for where they receive care. Having services closer to where patients live will help, as transportation is a challenge for many in the area.

"We have to look at pockets of the region that are underserved or where there's no access to care," Krajewski says. "We're covering a huge swath of Downeast Maine," she notes, as the new entity will cover a service area consisting of 35 zip codes. Farrell adds, "This partnership brings together two organizations that have always shared the same purpose of caring for our communities with compassion, respect and a commitment to access for everyone. We're strengthening who we already are."

New sites and services

Along with the expansion of services will come two new health center sites, which were identified as a priority of the merged organization.

After announcing plans for a new building near the R&M IGA in early 2024, Eastport Health Care later paused proceeding with the new site while completing the environmental assessment and recalculating funding projects. The new facility team will be meeting in March to revisit the plans, which will include more redesign, but Krajewski says groundbreaking is now expected to occur this summer or fall, pending the completion of detailed plans and the hiring of a contractor. Also, EHC's site in Machias will be adding services.

In addition, the St. Croix Regional Family Health Center has purchased a 24,000-square-foot building in downtown Calais that will provide a range of provider services. The building, located between Lowell and Main streets, had previously housed Calais Interior and Appliances (CIA) and also Curves and Calais House of Pizza. Initial design plans are being worked on for renovations, with an opening of the new site dependent on contractor availability, Farrell says.

Pharmacies will be established at the Eastport, Princeton and Calais sites, which will save on costs and provide greater patient access.

Among the services being added are chiropractic medicine, optometry and podiatry, which will be available at the Eastport and Machias locations. Noting that there are only two optometrists currently in Washington County, Krajewski says there's a significant need for eye-care service. In addition, EHC will be expanding the size of its dental center and is looking to add a second dentist. "Recruiting dentists is a top challenge," she notes.

With the merger, the health centers will be serving more than 11,000 patients and can afford to employ a full-time chiropractor and podiatrist. Previously, EHC "didn't have the number of patients" to hire a podiatrist, Krajewski notes. "With a greater patient base, we can bring in more services."

Another benefit of the merger is that it will help with recruiting new providers. With the expansion of services, Farrell notes that potential primary care providers will see all of the other types of care offered, which will make a position more attractive, with "a one-stop shop" for any referrals. Krajewski notes, "If you have support services in-house, it's appealing to staff, including providers, as well as patients. It improves health outcomes."

Also, a larger team of providers will allow more health professional students and trainees of many kinds to work with the health center teams as part of their learning experience. Having the sites serve as teaching health centers keeps providers and staff engaged in their field and is "an effective recruitment and retention tool," Krajewski says.

In addition, larger staff numbers may allow the health centers to obtain better rates for health insurance reimbursement, as insurance companies negotiate contracts with healthcare organizations. "Our financial model works best when there's fair reimbursement for services," Krajewski notes. Also, EHC will be able to contribute to staff retirement accounts.

Growth and leadership changes

Both the Eastport and Princeton health centers have been growing, with over 1,000 more patients at the St. Croix center since Farrell began working there in 2024, and patient visits increased from 19,000 to 30,000 annually. At EHC, the number of patients has grown by over 2,000 during the past six years.

Farrell brings experience, leadership skills and commitment to the role as CEO of the new organization. He has been CEO at the St. Croix health center since April 2024, and since then the center has added occupational and chiropractic medicine, optometry and podiatry and expanded its behavioral health, dental and walk-in care services. Before that he was chief operations officer for Katahdin Valley Health Center, based in Patten with nine clinic sites.

Krajewski will step back from her CEO role with Eastport Health Care and be a resource and support to the new entity. Deb Pigeon, board chair of EHC, says, "Ellen has been an exceptional CEO. Under her leadership, EHC has grown and increased both access to care and quality. Her hard work and vision have been the engine that opened possibilities, and we are extremely grateful to her."

Both health centers will retain their names, although a new board will be formed.

Krajewski notes that the health center boards are very conscious of their responsibilities for fiscal oversight and meeting the health centers' mission. "The boards have done a huge amount of work on this. The merged board will continue to be governed by local people, as it always has."

Pigeon comments, "This merger is about future-proofing the vital services we provide to Washington County by creating a larger, more stable healthcare network with broader services and a stronger voice in the state and federal issues that affect our service area."

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