

**HEALTH POLICY COMMISSION
NOTICE OF MATERIAL CHANGE FORM**

**Health Policy Commission
Two Boylston Street
6th Floor
Boston, MA 02116**

GENERAL INSTRUCTIONS

The attached form should be used by a provider or provider organization to provide a notice of material change ("Notice") to the Health Policy Commission ("Commission"), as required under § 13 of M.G.L. c. 6D. To complete the Notice, it is necessary to read and comply with Bulletin 2013-1 issued by the Commission, **Interim Guidance for Providers and Provider Organizations Relative to Notice of Material Change to the Health Policy Commission ("Interim Guidance")**. The Interim Guidance may be obtained on the Commission's website at www.mass.gov/hpc. For further assistance, please contact the Health Policy Commission at HPC-Notice@state.ma.us. This form is subject to statutory and regulatory changes that may take place from time to time.

WHO NEEDS TO FILE

This Notice should be submitted by any provider or provider organization with \$25,000,000 in net patient service revenue or more in the preceding fiscal year that is proposing a material change, as defined by the Interim Guidance. Notice must be filed with the Commission not less than 60 days before the effective date of the proposed change.

SUBMISSION OF NOTICE

One electronic copy of the Notice, in a portable document form (pdf), should be submitted to the following:

Health Policy Commission
HPC-Notice@state.ma.us

Office of the Attorney General
HCD-6D-NOTICE@state.ma.us

Center for Health Information and Analysis
CHIA-Legal@state.ma.us

PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

If the information provided in the Notice is incomplete or if the Commission determines clarification of the information submitted is needed to make its decision, the Commission may require the notifying organization to submit such supplemental information within 30 days of receipt of the initial Notice.

The Commission will notify each notifying organization of its decision to proceed with a cost and market impact review within 30 days of its receipt of a completed Notice and all necessary supplemental information.

PUBLIC DISCLOSURE

Pursuant to Bulletin 2013-1 issued by the Commission, all information collected by the Commission in connection with a Notice shall be deemed to be a public record.

NOTICE OF MATERIAL CHANGE

Date of Notice: November 12, 2013

1.	Name:	Hallmark Health Corporation
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-2103587	N/A	N/A

Contact Information			
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3.	Business Address 1:	170 Governors Avenue	
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4.	Business Address 2:		
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5.	City:	Medford	State:	MA	Zip Code:	02155
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5.	Business Website:	http://hallmarkhealth.org/				
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Contact Information			
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7.	Contact First Name:	Charles	Contact Last Name:	Whipple
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8.	Title:	Executive Vice President & Chief Legal Officer		
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9.	Contact Phone:	781-979-3050	Extension:	N/A
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10.	Contact Email:	CWhipple@hallmarkhealth.org		
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Description of Organization	
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11.	<i>Briefly</i> describe your organization.
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Hallmark Health Corporation ("HHC") is a nonprofit corporation that serves as the parent organization of Hallmark Health System, Inc. ("HHS"), an integrated health system which provides health care in the cities and towns immediately north of Boston.

HHS operates two acute care hospitals – Lawrence Memorial Hospital of Medford ("LMH"), with 132 beds, and Melrose-Wakefield Hospital ("MWH"), with 174 beds and 24 nursery bassinets. HHS also includes Hallmark Health Medical Center for outpatient care, Hallmark Health System Hematology and Oncology Center, CHEM Center for Radiation Oncology, CHEM Center for MRI, Hallmark Health VNA and Hospice, Hallmark Health Medical Associates, and Lawrence Memorial/Regis College Nursing and Radiography Programs.

Type of Material Change			
12.	<p>Check the box that most accurately describes the proposed material change:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Merger or affiliation with a carrier <input type="checkbox"/> Acquisition of or acquisition by a carrier <input checked="" type="checkbox"/> Merger with or acquisition of or by a hospital or a hospital system <input type="checkbox"/> Any other acquisition, merger, or affiliation between a provider organization and another provider organization where such acquisition, merger, or affiliation would result in an increase in annual net patient service revenue of the provider or provider organization of more than \$10,000,000 <input type="checkbox"/> Any clinical affiliation between a provider or provider organization with another provider or provider organization which itself has an annual net patient service revenue of more than \$25,000,000 <input type="checkbox"/> Formation of a partnership, joint venture, common entity, accountable care organization, or parent corporation created for the purpose of contracting on behalf of more than one provider or provider organizations 		
13.	<table border="1"> <tr> <td>What is the proposed effective date of the proposed material change?</td> <td>Promptly following receipt of all required approvals.</td> </tr> </table>	What is the proposed effective date of the proposed material change?	Promptly following receipt of all required approvals.
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Material Change Narrative			
14.	<p><i>Briefly describe the nature and objectives of the proposed material change:</i></p> <p>Pursuant to a Memorandum of Understanding ("MOU") dated March 13, 2013 by and between HHC, on behalf of itself and its affiliates, and Partners HealthCare System, Inc. ("PHS"), on behalf of itself and its affiliates, HHC will adopt amendments to its corporate bylaws that make PHS the sole corporate member of HHC, thus effecting a change of control of HHC and its affiliates (the "Affiliation"). As a result of this Affiliation, HHC will become a first tier entity in PHS, and PHS will have sole corporate authority over HHC, consistent with its authority over other first tier entities in PHS. The Affiliation will be effectuated through one or more definitive agreements to be negotiated by the parties.</p> <p>PHS and HHC recognize that the health care delivery system is undergoing a rapid transformation, with state and federal health care reform laws, health insurers, and health care providers driving changes in the way care is both paid for and delivered in order to reduce costs and improve quality. The parties understand that this transformation will require the redesign of care across the full care continuum, including the redirection of resources to community-based care and the development of methods to both bend the cost curve and improve quality and outcomes. PHS and HHC have embraced these challenges and have developed a shared vision to transform the way they provide health care through implementation of a robust population health management ("PHM") model for the "Northern Corridor" communities that they jointly serve.</p> <p>The Affiliation will result in the full integration of the parties' governance and clinical and business operations which in turn will permit the parties to rationalize and upgrade certain of their facilities and clinical programs and to invest in primary care development and state-of-the-art information systems and infrastructure, all of which will provide the foundation for the development and implementation of the parties' PHM system of care.</p>		

15.	<i>Briefly describe the anticipated impact of the proposed material change:</i>
	The Affiliation will enable the parties to implement their PHM model of care, and they fully intend and expect that the result will be improvements in the availability and accessibility of care, enhancements of community-based clinical offerings and economic and operational efficiencies, all of which will, in turn, mean high quality and cost effective health care for the patients in the Northern Corridor communities and moderation in the rate of growth in healthcare expenditures for the benefit of patients and employers.

Development of the Material Change	
16.	Describe any other material changes you anticipate making in the next 12 months:
	HHC does not anticipate any additional "material changes" in the next twelve months.
17.	Indicate the date and nature of any applications, forms, notices or other materials you have submitted regarding the proposed material change to any other state or federal agency:
	On October 11, 2013, PHS and HHC each filed a Hart-Scott-Rodino ("HSR") notice with the United States Department of Justice and the Federal Trade Commission in connection with the Affiliation. PHS and HHC also provided copies of their respective HSR notices to the Massachusetts Office of the Attorney General.

Affidavit of Truthfulness and Proper Submission

I, the undersigned, certify that:

1. I have read the Health Policy Commission Bulletin 2013-1, **Interim Guidance for Providers and Provider Organizations Relative to Notice of Material Change to the Health Policy Commission**.
2. I have read this Notice of Material Change and the information contained therein is accurate and true.
3. I have submitted the required copies of this Notice to the Health Policy Commission and to all relevant agencies (see below*) as required.

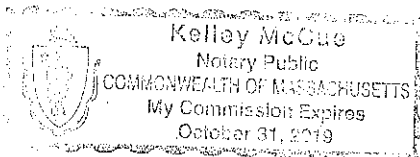
Signed on the 12th day of November, 2013, under the pains and penalties of perjury.

Signature: Charles R. Whipple

Name: Charles R. Whipple

Title: Executive Vice President & Chief Legal Officer

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Kelley McCue
Notary Signature

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)