

NOTICE OF MATERIAL CHANGE

Date of Notice: November 18, 2013

1.	Name:	Medical Affiliates of Cape Cod, Inc.
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-3187299	N/A	177053492

Contact Information					
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3.	Business Address 1:	4 Bayview Street				
4.	Business Address 2:					
5.	City:	West Yarmouth	State:	MA	Zip Code:	02673
5.	Business Website:					

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7.	Contact First Name:	Michael	Contact Last Name:	Jones	
8.	Title:	Sr. VP and Chief Legal Officer			
9.	Contact Phone:	(508) 862-5070	Extension:		
10.	Contact Email:	MGJones@CapeCodHealth.org			

Description of Organization	
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11.	<i>Briefly</i> describe your organization.
	The Medical Affiliates of Cape Cod, Inc. ("MACC") is a non-profit affiliate of Cape Cod Healthcare, Inc. ("CCHC") that employs many of the system's affiliated physicians. CCHC is an integrated healthcare delivery system which includes Cape Cod Hospital, Falmouth Hospital and other health care providers located on Cape Cod. MACC is governed by a board of trustees that mirrors CCHC's own board of trustees as well as a physician advisory board.

Type of Material Change	
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12.	Check the box that most accurately describes the proposed material change:
	<input type="checkbox"/> Merger or affiliation with a carrier <input type="checkbox"/> Acquisition of or acquisition by a carrier <input type="checkbox"/> Merger with or acquisition of or by a hospital or a hospital system <input checked="" 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.	What is the proposed effective date of the proposed material change?	January 1, 2014
Material Change Narrative		
14.	<i>Briefly</i> describe the nature and objectives of the proposed material change:	
<p>MACC has entered into a Stock Purchase Agreement with Emerald Physician Services Inc. ("Emerald"), a group practice of 15 physicians that has 11 offices on Cape Cod. The agreement calls for MACC or its designee to purchase 100% of Emerald's outstanding capital stock. Emerald would essentially become a wholly owned subsidiary of MACC</p> <p>Upon consummation of the contemplated transaction, Dr. Cormac F. Coyle, the current sole owner of Emerald, would continue to lead Emerald's physician practice operations. Dr. Coyle would also provide advice to the MACC as to practice models and other matters proven within Emerald to improve the quality of care provided as well as overall patient satisfaction. Currently, MACC operates at a loss. This is due in part to practice inefficiencies and high labor costs.</p> <p>Notwithstanding its location on Cape Cod, Emerald has excelled in providing quality care at a lower cost, thereby earning a profit. Emerald consistently receives high quality rankings and has succeeded in reducing waiting times to provide timely patient access for initial and follow-up appointments. Emerald also has achieved success in participating in innovative program models, including federal demonstration and incentive programs. In particular, Emerald:</p> <ul style="list-style-type: none"> • receives the highest quality rankings in its payer contracting group for all major payer measures; • guarantees same day acute or urgent care appointments, provides Saturday hours and employs an iPhone app as one method of easing patient/family communications with providers; • reduces unnecessary re-admissions through its post-hospital discharge clinic, and provides home care visits especially to elderly patients; • provides advocacy services for patients with social, economic, legal and behavioral needs; • provides medical education programs for physicians and advanced practice training for nurses; • was selected as reader's choice award winner for internal medicine for the last twelve years in a row, and was recognized as one of the top employers in the Commonwealth; and • has received the maximum incentive payments for meaningful use of electronic health records, among other innovative programs. <p>MACC intends to apply Emerald's practice management model to MACC's existing operations. MACC's objective is to reduce its cost of delivering care by adopting Emerald's more efficient methods and practice models, while at the same time improving patient access and quality of care.</p>		
15.	<i>Briefly</i> describe the anticipated impact of the proposed material change:	
<p>The proposed transaction is expected to lower the cost of care delivered by the MACC's providers, to improve patient access and satisfaction, and to raise the quality of care delivered to Cape Cod residents and visitors.</p> <p>The proposed transaction is not expected to disrupt established patient care patterns because there are no anticipated changes in MACC's or Emerald's practice locations, and there are no anticipated changes to hospital referrals by Emerald's physicians.</p> <p>Emerald's physicians will become members of the Cape Cod Preferred Physicians (the "PO"), which participates in contracting done through the Steward Health Care Network ("Steward"). Steward contracts on behalf of approximately 7,000 physicians who practice throughout Eastern Massachusetts. MACC does not anticipate that participating in these contracts will result in increased reimbursement for Emerald physicians compared with their present payment rates. In recent past years Emerald has participated in contracts negotiated through the Beth Israel Deaconess Physician Organization.</p>		

Development of the Material Change	
16.	Describe any other material changes you anticipate making in the next 12 months:
	None. It is not anticipated that any material changes will be made in the next 12 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:
	Simultaneously with this Notice, MACC will provide a copy to the Office of the Attorney General and the Center for Health Information and Analysis as required. In connection with the proposed transaction MACC will ensure that Emerald updates its Medicare and MassHealth provider enrollments with respect to ownership information.

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 31st day of October, 2013, under the pains and penalties of perjury.

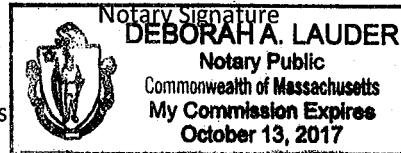
Signature: Michael G. Jones

Name: Michael G. Jones

Title: Senior Vice President & Chief Legal Officer

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:

Deborah A. Lauder



Copies of this application have been submitted electronically as follows

Office of the Attorney General (1)

Center for Health Information and Analysis (1)