

NOTICE OF MATERIAL CHANGE

Date of Notice: March 12, 2014

1.	Name:	Baystate Health, Inc.
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-2105941	N/A	N/A

Contact Information			
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3.	Business Address 1:	280 Chestnut Street				
	Business Address 2:					
5.	City:	Springfield	State:	MA	Zip Code:	01199
5.	Business Website:	www.baystatehealth.org				

7.	Contact First Name:	Dennis	Contact Last Name:	Chalke
8.	Title:	Chief Financial Officer		
9.	Contact Phone:	413-794-3290	Extension:	
10.	Contact Email:	dennis.chalke@baystatehealth.org		

Description of Organization	
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11.	<i>Briefly</i> describe your organization.
	<p>Baystate Health, Inc. (Baystate), a Massachusetts not-for-profit healthcare provider, is the parent organization of Baystate Medical Center, a major academic medical center in clinical partnership with Tufts University School of Medicine. Additionally, Baystate includes two community hospitals—including Baystate Franklin Medical Center and Baystate Mary Lane Hospital—as well as local medical practices across the Pioneer Valley. We strive to deliver a significant amount of unreimbursed care and community-benefit funding to strengthen, steward and culturally enrich our cities, towns and neighborhoods, while meeting the highest quality and safety standards.</p>

Type of Material Change	
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12.	Check the box that most accurately describes the proposed material change:
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	<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
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13.	What is the proposed effective date of the proposed material change?	On or around June 1, 2014
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Material Change Narrative

14. *Briefly describe the nature and objectives of the proposed material change:*

Baystate has executed a Letter of Intent (“LOI”) with UMass Memorial Health Care, Inc. (UMMHC) dated December 17, 2013, pursuant to which UMMHC and Baystate agreed to enter into exclusive good-faith negotiations with the intent of consummating the sale of Wing Memorial Hospital Corporation by UMMHC to Baystate. Pursuant to the proposed transaction, Baystate would become the sole corporate member of Wing (replacing UMMHC’s subsidiary UMass Memorial Hospitals, Inc.) and would assume all assets and liabilities of Wing. UMMHC, UMass Memorial Hospitals, Baystate and Wing are all 501(c)(3) tax-exempt public charities. The Board of each entity has voted unanimously in support of the proposed transaction.

The objective of the proposed transfer of Wing from UMMHC’s system to Baystate’s system is to achieve better coordination of clinical services and synergies as a result of Wing’s close geographic proximity to Baystate. Wing is located less than twenty miles from Baystate Medical Center in Springfield, which is half the distance Wing is from UMMHC’s primary campus in Worcester. The geographic proximity to Baystate Medical Center will enable Wing, with support from Baystate, to better assess and address local community needs. Baystate will also help meet Wing’s needs for physician services in the community setting, including assistance in addressing immediate areas of physician shortage, such as primary care – areas that have been difficult for UMass Memorial to address on account of its geographic distance. In addition, pursuant to the LOI, Baystate has committed to maintain Wing as an inpatient hospital for a minimum of ten years with local governance through a Board of Trustees and to invest in Wing’s operations in order to encourage the treatment of secondary care cases within Wing’s community hospital setting.

15. *Briefly describe the anticipated impact of the proposed material change:*

The proposed transaction will enhance access to cost-efficient, high-quality primary and secondary health care services in Western Massachusetts. Managed care rates at Wing, which are currently negotiated on a system-wide basis, will be negotiated as part of the Baystate system, which is a regional system that includes a lower-cost tertiary care hospital. Integrated tertiary and quaternary services provided by Baystate Medical Center, the lowest-cost tertiary provider in Massachusetts, will be available to Wing patients at half the distance to UMMHC. The integration of Wing into the Baystate regional health system over time through the use of the same clinical protocols, care pathways, and electronic records system will support the delivery of the full continuum of care for the community through better geographic alignment, improved access to specialist physicians in the Wing service area, and closer coordination with surrounding public health efforts and health information exchanges. As a result, the proposed realignment of Wing is anticipated to improve population health and reduce the overall cost of care in the community.

Development of the Material Change

16.	Describe any other material changes you anticipate making in the next 12 months:
	None.
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:
	The parties will make submissions regarding the proposed transaction to all applicable regulatory agencies including the Massachusetts Office of the Attorney General, and the Massachusetts Department of Public Health. The parties have already met with the Antitrust Division of the Massachusetts Office of the Attorney General, and have determined that the proposed transaction does not meet the threshold for filing a Hart-Scott-Rodino Notification with the Federal Trade Commission.

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 12 day of March, 2014, under the pains and penalties of perjury.

Signature: Krist R. Delaney

Name: Kristin R. Delaney

Title: Clerk, Baystate Health, Inc

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:

Patricia A. Sheldon
 Notary Signature
 My Commission Expires:
Aug. 4, 2017

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)