

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

**Health Policy Commission  
Two Boylston Street  
6<sup>th</sup> 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/anf/hpc](http://www.mass.gov/anf/hpc). For further assistance, please contact the Health Policy Commission at [HPC-Notice@state.ma.us](mailto: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 fewer 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](mailto:HPC-Notice@state.ma.us)

Office of the Attorney General  
[HCD-6D-NOTICE@state.ma.us](mailto:HCD-6D-NOTICE@state.ma.us)

Center for Health Information and Analysis  
[CHIA-Legal@state.ma.us](mailto: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: March 18, 2014

1.	Name:	Steward Health Care System LLC
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	27-2473240	N/A	N/A

<b>Contact Information</b>							
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3.	Business Address 1:	500 Boylston Street					
4.	Business Address 2:	5 <sup>th</sup> Floor					
5.	City:	Boston	State:	MA	Zip Code:	02116	
6.	Business Website:	<a href="http://www.steward.org">www.steward.org</a>					

7.	Contact First Name:	Kevin	Contact Last Name:	Hannifan			
8.	Title:	President, Steward St. Elizabeth's Medical Center of Boston, Inc.					
9.	Contact Phone:	(617) 789-2244	Extension:				
10.	Contact Email:	kevin.hannifan@steward.org					

<b>Description of Organization</b>							
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11.	<i>Briefly</i> describe your organization.						
	<p>Steward Health Care System LLC ("Steward") is an integrated care delivery system serving more than one million patients annually in more than 150 communities throughout New England. Steward and its affiliates consist of ten acute care community hospitals, one long term acute care hospital, home care and hospice services, as well as over 2,900 employed and affiliated physicians, respectively. A leading Medicare Pioneer Accountable Care Organization (ACO) serving over 70,000 Medicare members, Steward has also developed two limited network health insurance plans, Steward Community Care and Steward Community Choice that serve individuals in small businesses across eastern Massachusetts.</p> <p>As the largest community-based integrated care ACO model, Steward is focused on coordinating and managing the care of our patients across the full continuum of care, from inpatient to outpatient settings. Ultimately, one of the most immediate ways to lower the health care cost curve is to deliver care in the most appropriate and lowest cost settings. Steward St. Elizabeth's Medical Center of Boston, Inc. ("SEMC") is one of Steward's acute care hospitals and is central to this notice of material change. SEMC is a community-based 252-bed tertiary care hospital located in the Brighton neighborhood of Boston. SEMC is also a teaching affiliate of the Tufts University School of Medicine and provides a full range of health care services, including family medicine, cardiovascular care, women and infants' health, cancer care, neurology care, and orthopedics.</p>						

<b>Type of Material Change</b>							
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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 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 checked="" 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?	Promptly upon receipt of all necessary approvals and consents.
<b>Material Change Narrative</b>		
14.	<p><i>Briefly</i> describe the nature and objectives of the proposed material change:</p> <p>Steward Health Care System LLC ("Steward") and its affiliates, including Steward St. Elizabeth's Medical Center of Boston, Inc. ("SEMC"), will enter into a clinical affiliation agreement with Dana-Farber Cancer Institute, Inc. ("DFCI"), pursuant to which DFCI will establish a medical oncology satellite unit at SEMC (the "DFCI Satellite Unit"). Under this clinical affiliation, DFCI will provide medical oncology services to patients in the SEMC service area (the "Clinical Affiliation").</p> <p>The goal of the Clinical Affiliation is to increase access to cost-effective, high-quality oncology care in a community setting that currently lacks coordinated, integrated oncology services. The Clinical Affiliation will also enhance Steward's ACO model by enabling seamless transitions of care to and from local tertiary and quaternary settings where such care is in the best interests of the patient and is medically appropriate.</p> <p>In furtherance of the Clinical Affiliation, DFCI will lease space at SEMC and will obtain certain support services from SEMC that are necessary to support the operation of the DFCI Satellite Unit in a cost efficient manner. To that end, the DFCI Satellite Unit will replace an outpatient oncology service currently provided by SEMC that is staffed by DFCI-employed physicians. The DFCI Satellite Unit will be in the same space, with the same footprint, as the current SEMC unit. Consistent with the Clinical Affiliation, DFCI may establish additional oncology satellite units or physician practices at other Steward facilities, and Steward and DFCI will collaborate to coordinate and offer oncology services wherever necessary.</p>	
15.	<p><i>Briefly</i> describe the anticipated impact of the proposed material change:</p>	
	<p>The parties anticipate that the Clinical Affiliation will increase the coordination of oncology care between community providers and specialists, and enable patients to access such care in their local community. Pursuant to a written agreement between the parties, DFCI has provided medical oncologists staffing and related administrative and management services to the SEMC outpatient oncology services since July of 2011. As a result, the parties do not expect the Clinical Affiliation to have a material change on referral patterns related to oncology services.</p> <p>The goal of the Clinical Affiliation is to deliver and coordinate as much medical care as possible in the most cost efficient setting whenever it is clinically appropriate. As stated above, the Clinical Affiliation is an essential component of Steward's integrated community care model to provide affordable, high quality, coordinated care to patients in their local community.</p>	
<b>Development of the Material Change</b>		
16.	Describe any other material changes you anticipate making in the next 12 months:	

	Steward has not entered into any definitive agreements or letters of intent that are anticipated to lead to a material change (as defined in HPC Bulletin 2013-01) to be completed 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:
	None

**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 18<sup>th</sup> day of March, 2014, under the pains and penalties of perjury.

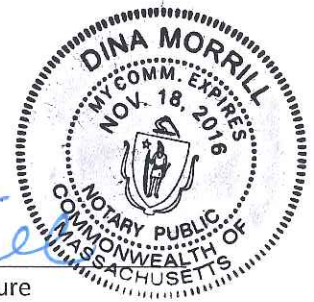
Signature: Joseph Mather

Name: Joseph Mather

Title: General Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:

Dina Morrill  
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)

## EXPLANATIONS AND DEFINITIONS

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1.	Name	Legal business name as reported with Internal Revenue Service. This may be the parent organization or local provider organization name.
2.	Federal TAX ID #	9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the internal revenue service.
	MA DPH Facility ID #	If applicable, Massachusetts Department of Public Health Facility Identification Number.
	National Provider Identification Number (NPI)	10-digit National Provider identification number issued by the Centers for Medicare and Medicaid Services (CMS). This element pertains to the organization or entity directly providing service.
3.	Business Address 1:	Address location/site of applicant
4.	Business Address 2:	Address location/site of applicant continued often used to capture suite number, etc.
5.	City, State, Zip Code	Indicate the City, State, and Zip Code for the provider organization as defined by the US Postal Service.
6.	Business Website:	Business website URL
7.	Contact Last Name, First Name	Last name and First Name of the primary administrator completing the registration form.
8.	Title:	Professional title of the administrator completing the registration form.
9.	Contact Telephone and Extension	10-digit telephone number and telephone extension (if applicable) for administrator completing the registration form
10.	Contact Email:	Contact email for administrator
11.	Description of Organization:	Provide a brief description of the notifying organization's ownership, governance, and operational structure, including but not limited to provider type (acute hospital, physician group, skilled nursing facilities, independent practice organization, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s).
12.	Type of Material Change	<p>Indicate the nature of the proposed material change.</p> <p><i>Definitions of terms:</i>            "Carrier", an insurer licensed or otherwise authorized to transact accident or health insurance under chapter 175; a nonprofit hospital service corporation organized under chapter 176A; a nonprofit medical service corporation organized under chapter 176B; a health maintenance organization organized under chapter 176G; and an organization entering into a preferred provider arrangement under chapter 176I; provided that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of 1 or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term "carrier"</p>



		<p>shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or visions care services.</p> <p>“Hospital”, any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.</p> <p>“Hospital System”, a group of affiliated entities that includes one or more Hospitals that are overseen by a common entity or parent corporation.</p> <p>“Net patient service revenue”, total revenue received for patient care from any third party payer net of any contractual adjustments.</p> <p>“Provider”, any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the commonwealth to perform or provide health care services.</p> <p>“Provider organization”, any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents 1 or more health care providers in contracting with carriers for the payments of health care services; provided, that “provider organization” shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations and any other organization that contracts with carriers for payment for health care services.</p>
13.	Proposed Effective Date of the Proposed Material Change	Indicate the effective date of the proposed material change. NOTE: The effective date may not be less than 60 days from the date of the application notice.
14.	Description of the Proposed Material Change	Provide a brief narrative describing the nature and objectives of the proposed material change. Include organizational charts and other supporting materials as necessary to illustrate the proposed change in ownership, governance or operational structure.
15.	Impact of the Proposed Material Change	<p>Provide a brief description of any analysis conducted by the notifying organization as to the anticipated impact of the proposed material change including, but not limited to, the following factors, as applicable:</p> <ul style="list-style-type: none"> <li>• Costs</li> <li>• Prices, including prices of the provider or provider organization involved in the proposed merger, acquisition, affiliation or other proposed material change</li> <li>• Utilization</li> <li>• Health status adjusted total medical expenses</li> <li>• Market Share</li> </ul>



		<ul style="list-style-type: none"> <li>• Referral Patterns</li> <li>• Payer Mix</li> <li>• Service Area(s)</li> <li>• Service Line(s)</li> <li>• Service Mix</li> </ul>
16.	Future Planned Material Changes	Provide a brief description of the nature, scope and dates of any pending or planned material changes to ownership, governance, or operations within the 12 months following the date of the notice.
17.	Submission to Other State or Federal Agencies	Indicate the date and nature of any other applications, forms, notices or other materials provided to other state for federal agencies relative to the proposed material change, including but not limited to the Department of Public Health (e.g., Determination of Need Application, Notice of Intent to Acquire, Change in Licensure), Massachusetts Attorney General (e.g., notice pursuant to G.L. c. 180, §8A(c)), U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application) and Federal Trade Commission/Department of Justice (e.g., Notification and Report Form pursuant to 15 U.S.C. sec. 18a).