

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

**Health Policy Commission  
Two Boylston Street  
6<sup>th</sup> Floor  
Boston, MA 02116**

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## 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](http://www.mass.gov/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 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](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: May 13, 2014**

1.	Name:	BOSTON MEDICAL CENTER CORPORATION
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	043314093	V112	1346218294

3.	Business Address 1:	ONE BOSTON MEDICAL CENTER PLACE				
4.	Business Address 2:					
5.	City:	BOSTON	State:	MA	Zip Code:	02118
5.	Business Website:	BMC.ORG				

7.	Contact First Name:	DAVID	Contact Last Name:	BECK
8.	Title:	VICE PRESIDENT & GENERAL COUNSEL		
9.	Contact Phone:	617-638-7653	Extension:	
10.	Contact Email:	DAVID.BECK@BMC.ORG		

11.	<i>Briefly describe your organization.</i>
	<p>BOSTON MEDICAL CENTER (BMC) IS A 496-BED ACADEMIC MEDICAL CENTER LOCATED IN BOSTON'S HISTORIC SOUTH END. THE HOSPITAL IS THE PRIMARY TEACHING AFFILIATE FOR BOSTON UNIVERSITY SCHOOL OF MEDICINE. BMC PROVIDES A FULL RANGE OF PEDIATRIC AND ADULT CARE SERVICES, FROM PRIMARY CARE TO FAMILY MEDICINE TO ADVANCED SPECIALTY CARE. IT IS THE LARGEST AND BUSIEST PROVIDER OF TRAUMA AND EMERGENCY MEDICINE SERVICES IN NEW ENGLAND. EMPHASIZING COMMUNITY-BASED CARE, BMC IS COMMITTED TO PROVIDING CONSISTENTLY EXCELLENT AND ACCESSIBLE HEALTH SERVICES TO ALL—AND IS THE LARGEST SAFETY-NET HOSPITAL IN NEW ENGLAND.</p>

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 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 checked="" 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?	July 14, 2014
14.	<p><i>Briefly describe the nature and objectives of the proposed material change:</i></p> <p>BOSTON MEDICAL CENTER CORPORATION, FACULTY PRACTICE FOUNDATION, INC. (THE PARENT CORPORATION OF BMC'S FACULTY PRACTICE PLAN/CLINICAL DEPARTMENT CORPORATIONS), AND FIVE COMMUNITY HEALTH CENTERS (CODMAN SQUARE HEALTH CENTER, DORCHESTER HOUSE MULTI-SERVICE CENTER, MATTAPAN COMMUNITY HEALTH CENTER, SOUTH BOSTON COMMUNITY HEALTH CENTER, AND SOUTH END COMMUNITY HEALTH CENTER) WILL FORM A NON-PROFIT CORPORATION TO IMPROVE THE HEALTHCARE OF THE POPULATIONS THEY SERVE.</p> <p>FAITHFUL TO THE SPIRIT OF PARTNERSHIP AND INNOVATION WHILE FULFILLING BMC'S MISSION OF EXCEPTIONAL CARE WITHOUT EXCEPTION, THE ACO WILL BE A LEADER IN THE PROVISION OF PATIENT CARE THAT IMPROVES ITS PATIENTS' EXPERIENCE OF CARE, IMPROVES THE HEALTH OF ALL PATIENTS SERVED, ADDRESSES THE SPECIFIC HEALTH CARE NEEDS OF VULNERABLE POPULATIONS, AND REDUCES THE COSTS OF THE HEALTH CARE IT PROVIDES. THE ACO WILL ACCOMPLISH THESE AIMS THROUGH THE DEVELOPMENT OF AN INTEGRATED DELIVERY SYSTEM THAT COORDINATES CARE ACROSS THE CONTINUUM, PROVIDING THE RIGHT CARE AT THE RIGHT PLACE AT THE RIGHT TIME.</p> <p>THE ACO WILL ENTER INTO AND ADMINISTER CONTRACTS WITH PAYORS ON BEHALF OF ITS HEALTH CARE PROVIDERS, INCLUDING "ALTERNATIVE PAYMENT CONTRACTS" AS DEFINED IN CHAPTER 224 OF THE ACTS OF 2012, COORDINATE FORMATION OF A BETTER INTEGRATED CARE NETWORK, AND ADVANCE PATIENT POPULATION HEALTH MANAGEMENT FOR THE PATIENTS OF ITS HEALTH CARE PROVIDERS.</p>	
15.	<p><i>Briefly describe the anticipated impact of the proposed material change:</i></p> <p>AS DESCRIBED ABOVE, THE GOAL OF THE ACO IS TO DEVELOP A DELIVERY SYSTEM THAT ACHIEVES THE "TRIPLE AIM" – IMPROVING THE PATIENT EXPERIENCE OF CARE, IMPROVING THE HEALTH OF THE POPULATION THAT WE SERVE, AND REDUCING THE PER CAPITA COST OF CARE THAT WE PROVIDE. THIS HAS THE POTENTIAL TO BRING SIGNIFICANT VALUE TO THE COMMONWEALTH, AND TO THE MASSACHUSETTS MEDICAID PROGRAM IN PARTICULAR. MEDICAID COMMANDS NEARLY 30% OF THE FY14 MASSACHUSETTS STATE BUDGET, WITH EXPENDITURES INCREASING ANNUALLY, AND IS THE LARGEST PAYER FOR THE ACO PROVIDERS. IT WILL BE THE INTENT OF THE ACO TO WORK COLLABORATIVELY WITH MASSHEALTH AND OTHER PAYERS TO ESTABLISH ALTERNATIVE PAYMENT CONTRACTS THAT WILL INCREASE THE VALUE OF CARE PROVIDED TO ALL MASSACHUSETTS PATIENTS, INCLUDING THOSE PATIENTS FOR WHOM MEDICAID PURCHASES SERVICES. THROUGH THE ACO INTEGRATED STRUCTURAL FRAMEWORK, THE AIM WILL BE TO ACHIEVE A TOTAL MEDICAL EXPENSE GROWTH RATE CAP OF NO GREATER THAN THE POTENTIAL GROSS STATE PRODUCT FOR EACH YEAR (CURRENTLY 3.9% FOR 2014), CONSISTENT WITH THE GOALS OF CHAPTER 224.</p> <p>THE ACO WILL ALSO BE STRATEGICALLY ALIGNED TO SUPPORT THE INTENT OF THE COMMONWEALTH'S SECTION 1115 MEDICAID WAIVER RENEWAL FOR THE PERIOD OF JULY 1, 2014 – JUNE 30, 2019, INCLUDING BY</p>	

AIMING TO MOVE THE ACO PARTICIPANTS' EXISTING MASSHEALTH PAYMENTS FROM THE CURRENT FEE FOR SERVICE STRUCTURE TOWARD ALTERNATIVE PAYMENT CONTRACTS.

16.	Describe any other material changes you anticipate making in the next 12 months:  WE ANTICIPATE NO ADDITIONAL MATERIAL CHANGES IN THIS TIMEFRAME.
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 ORGANIZERS OF THE ACO WILL FILE ARTICLES OF ORGANIZATION FOR THE ACO WITH THE SECRETARY OF THE COMMONWEALTH. WE DO NOT ANTICIPATE SUBMITTING ANY ADDITIONAL MATERIALS TO ANY STATE OR FEDERAL AGENCIES IN CONNECTION WITH THE FORMATION OF THE ACO.

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 13<sup>th</sup> day of May, 2014, under the pains and penalties of perjury.

Signature: \_\_\_\_\_

Name: David Beck  
Title: VICE PRESIDENT AND GENERAL COUNSEL

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:

\_\_\_\_\_  
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

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	Indicate the nature of the proposed material change.  <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

		<p>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" 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> <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	<p>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.</p>
17.	Submission to Other State or Federal Agencies	<p>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).</p>