

NOTICE OF MATERIAL CHANGE

Date of Notice: October 30, 2014

1.	Name:	Valley Medical Group, P.C.
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04 294 5394		191 292 4705

Contact Information						
3.	Business Address 1:	329 Conway Street				
4.	Business Address 2:					
5.	City:	Greenfield	State:	MA	Zip Code:	01301
6.	Business Website:	www.vmgma.com				
Contact Information						
7.	Contact First Name:	Joel	Contact Last Name:	Feinman		
8.	Title:	President				
9.	Contact Phone:	413 772 3329	Extension:			
10.	Contact Email:	jfeinman@vmgma.com				

Description of Organization	
11.	Briefly describe your organization.
	<p>Valley Medical Group, P.C. ("VMG") is a Massachusetts professional corporation with offices in Greenfield, Northampton, Amherst and Easthampton. VMG employs 34 physicians, 62 advanced practitioners and 305 staff to provide comprehensive primary and specialty care to patients in Western Massachusetts. VMG has been certified by the National Committee for Quality Assurance as a Level III Patient-Centered Medical Home.</p>

Type of Material Change	
12.	Check the box that most accurately describes the proposed material change:
	<p><input checked="" type="checkbox"/> Merger or affiliation with a carrier</p> <p><input type="checkbox"/> Acquisition of or acquisition by a carrier</p> <p><input type="checkbox"/> Merger with or acquisition of or by a hospital or a hospital system</p> <p><input type="checkbox"/> Any other acquisition, merger, or affiliation with 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</p> <p><input type="checkbox"/> Any clinical affiliation with another provider or provider organization which itself has an annual net patient service revenue of more than \$25,000,000</p> <p><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</p>
13.	What is the proposed effective date of the proposed material change?
	January 1, 2015

Material Change Narratives	
14.	<p>Briefly describe the nature and objectives of the proposed material change:</p> <p>VMG and Health New England ("HNE"), a Massachusetts Health Maintenance Organization propose to work more closely together by entering into a Professional Service Agreement ("PSA") and a Practice Lease Agreement (collectively, the "Affiliation Agreements"). VMG and HNE currently are parties to an agreement pursuant to which VMG providers are members of HNE's network of Participating Providers (the "HNE Participation Agreement"). The HNE Participation Agreement will continue. Similarly, VMG's agreements with other carriers and plans will continue and the PSA explicitly will provide that VMG will not be prohibited or restrained from contracting or participating in any way with any health plans, insurers or other payors. Pursuant to the PSA, HNE will "lease" the VMG practitioners who will continue to provide the same high quality care for the same patients. Pursuant to a Practice Lease Agreement, HNE will lease the VMG physical assets and staff. Pursuant to the Affiliation Agreements, HNE will make fair market value payments to VMG. VMG will continue its corporate existence, will continue to own its assets, and employ its own practitioners and staff and will continue to operate subject to its existing Board and shareholder governance. VMG will retain complete clinical autonomy and significant independence in all other areas. There will be a Joint Operating Committee made up of representatives of VMG and HNE that will review and approve annual budgets and focus on the objectives of the proposed affiliation. Those objectives are as follows:</p> <ul style="list-style-type: none"> • Improvements in the quality and availability of Patient Care Services; • Increased integration and coordination between the Parties; • Promotion of the Triple Aim through: <ul style="list-style-type: none"> • Improvements in population health in Hampshire and Franklin Counties • Improvements in the experience of patients served by VMG • Improved use of resources and management of care • Growth and development of the VMG practice to allow the practice to treat more patients within a patient centered medical home setting • Potential for improving the capabilities of the practice to deliver effective care • Potential for cost savings • Other opportunities to improve the operation or function of VMG and HNE • Planning for urgent or after-hours care • Improvements or replacements to current practice infrastructure • Additional population health management infrastructure to achieve best practice clinical and financial outcomes including potential for HNE assistance in improving IT operations • Methods for attracting new practitioners to the VMG practice sites • Potential use of new technologies such as tele-medicine and remote health monitoring • Billing, contracting, and financial advice and support • Using VMG facilities as the site for HNE community benefit activities, such as public health education or health promotion events • Identification of opportunities for VMG and HNE to work together to provide greater value to the communities served <p>In general, the Affiliation Agreements are intended to increase the financial stability of VMG and to ensure and improve its ability to continue to supply high quality primary care to the communities it now serves.</p>
15.	<p>Briefly describe the anticipated impact of the proposed material change:</p> <p>VMG has not undertaken any formal analysis of the anticipated impact of the proposed material change. VMG and HNE believe that based on: 1) VMG's "track record", 2) the objectives of the proposed affiliation and 3) the terms of the Affiliation Agreements, population health will be improved. The affiliation will not change VMG's current prices; HNE's provider agreement with VMG will remain in place, and VMG or an agent for VMG will continue to negotiate future agreements with other carriers. Market share, referral patterns and payer mix are not expected to change, although it is hoped that the affiliation will facilitate future growth of VMG. Similarly, the service area, service lines and service mix are not expected to change.</p>
Development of the Material Change	
16.	<p>Describe any other material changes you anticipate making in the next 12 months:</p> <p>No additional material changes are planned within the next twelve (12) months.</p>
17.	<p>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:</p> <p>No other applications, forms or notices to other state or federal agencies have been made by VMG nor are any anticipated. HNE will notify the Department of Insurance as required.</p>

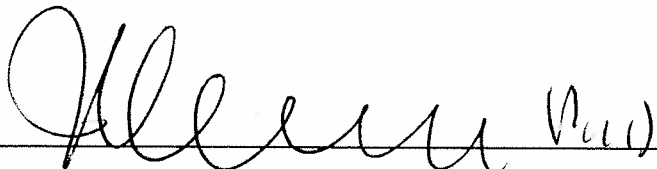
*Print this page, sign, notarize, and submit as a .PDF separately from the writable portion (p. 3-4) of the Notice of Material Change form. This signed and notarized Affidavit of Truthfulness and Proper Submission is required for a complete submission.

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.

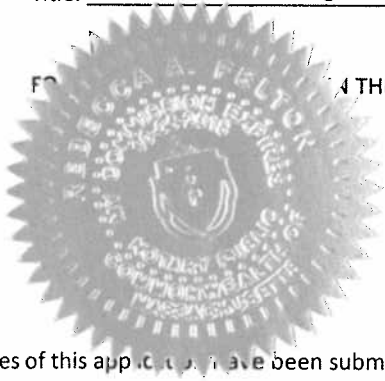
Signed on the 30 day of SEPTEMBER, 2014 under the pains and penalties of perjury.

Signature: 

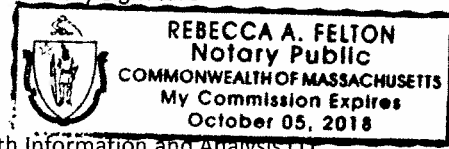
Name: ISORA FENMAN, PH.D.

Title: PRESIDENT

FOR THE SPACE PROVIDED BELOW:



Rebecca Felton
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)