

NOTICE OF MATERIAL CHANGE

Date of Notice: 10/30/2014

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| 1. | Name: | UMass Memorial Health Care, Inc. |
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| 2. | Federal TAX ID # | MA DPH Facility ID # | NPI # |
| | 04-335-8566 | n/a | n/a |

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|----------------------------|---------------------|-----------------------------|-----------|----------------|
| Contact Information | | | | |
| 3. | Business Address 1: | One Biotech | | |
| 4. | Business Address 2: | 365 Plantation Street | | |
| 5. | City: | Worcester | State: MA | Zip Code:01605 |
| 5. | Business Website: | Umassmemorialhealthcare.org | | |

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|-----|---------------------|--|--------------------|--------|
| 7. | Contact First Name: | Kate | Contact Last Name: | Eshghi |
| 8. | Title: | Senior Vice President and General Counsel | | |
| 9. | Contact Phone: | 508 334-1700 | Extension: | |
| 10. | Contact Email: | katharine.eshghi@umassmemorial.org | | |

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| Description of Organization | |
| 11. | <i>Briefly describe your organization.</i> |
| | UMass Memorial Health Care System, with 1,125 beds and bassinets and 12,350 employees, is Central Massachusetts' largest not-for-profit health care delivery system. The system covers the health care continuum including UMass Memorial Medical Center, member and affiliated community hospitals, a large physician group including primary care and specialist services, ambulatory outpatient clinics, and substance abuse and mental health services. |

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| Type of Material Change | |
| 12. | Check the box that most accurately describes the proposed material change: |
| | <p> <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 </p> |
| 13. | What is the proposed effective date of the proposed material change? |
| | January 1, 2015 |

Material Change Narrative

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

UMass Memorial Health Care, Inc. established UMass Memorial Accountable Care Organization, Inc. (UMMACO) as a chapter 180 non-profit subsidiary (i.e. UMass Memorial Health Care, Inc. is the sole corporate member of UMMACO) to act as an accountable care organization (“ACO”) to participate in the Medicare Shared Savings Program. UMMACO has submitted an application to the Centers for Medicare and Medicaid Services to participate as a Medicare ACO commencing January 1, 2015.

The UMMACO builds on a history of UMass Memorial’s experience with joint contracting through the UMass Memorial Managed Care Network with managed care plans in Massachusetts, pursuant to which network providers worked collaboratively to integrate care and improve patient outcomes. With a primary focus on quality care for Medicare beneficiaries, the UMMACO will use integrated data from payers, lab systems and the UMass Memorial ambulatory electronic health record to identify and address gaps in care, to manage transitions of care and to provide feedback to primary care physicians and practices on key performance indicators.

As of this time, the anticipated provider participants in the UMMACO include:

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|----------------------------------|--|
| UMass Memorial Medical Group | UMass Memorial Medical Center |
| Health Alliance Hospital | Marlborough Hospital |
| Clinton Hospital | Edward M Kennedy Community Health Center |
| Elizabeth Erban MD | Deborah Sullivan MD |
| Dr. He’s Primary Care for Adults | John Pandiscio MD |
| Aesclepiion Healthcare LLC | Lalita Matta MD |
| Clinton Medical Associates | Boulevard Medical Associates |

The UMMACO is overseen by a governing board composed of representatives from UMass Memorial Health Care entities and independent community-based providers who have contracted to participate with the UMMACO as well as a Medicare beneficiary representative.

The UMMACO’s mission is to bring together UMass Memorial and independent providers, academic and community based, to form an integrated organization with the distinct goals of providing high quality, comprehensive, innovative health care for the diverse communities in the UMass Memorial service area, improving transparency and communication among providers and patients, improving access to and coordination of care for our Medicare patients, as well as providing care in the right setting; resulting in the reduction of the overall cost of providing care. The UMMACO will focus on improving patient experience of care, including quality and patient satisfaction.

The ACO design principles will include reliability (right care at the right place), customization (consideration of individual patient needs, values and preferences), access (ensuring ease of access to care, to information, and to knowledge-sharing), and coordination (coordination of care among all providers).

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

The UMMACO Aims include:

- Improved overall care and patient experience for Medicare beneficiaries in the UMass Memorial service area
- Improved health of the Medicare populations in the UMass Memorial service area through proactive, preventive health care and care coordination.
- Reduction in the overall cost of care associated with the Medicare population.
- The participants in our ACO already contract collectively with a number of third party payers through UMass Memorial Health Care’s Managed Care Network. It is not anticipated that the formation of the ACO will have a material impact on UMass Memorial’s overall market share, referral patterns, payer mix, service area or prices

| Development of the Material Change | |
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| 16. | Describe any other material changes you anticipate making in the next 12 months: |
| | In our ongoing efforts to provide seamless access to care in the lowest cost settings, we expect to be developing more enhanced options for urgent care, either alone or in partnership, to meet the changing needs of patients in our community. |
| 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: |
| | UMass Memorial ACO has submitted an application to the Centers for Medicare and Medicaid for participation in the Medicare Shared Savings Program effective January 1, 2015. |

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.

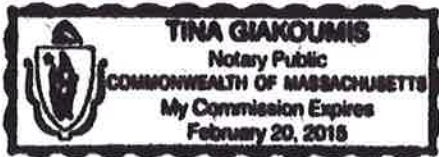
Signed on the 30th day of October, 2014, under the pains and penalties of perjury.

Signature: *Kate Eshghi*

Name: Katharine Bolland Eshghi

Title: Senior Vice President and General Counsel, UMass Memorial Health Care

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Tina Giakoumis
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