

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

**Health Policy Commission  
50 Milk Street  
8<sup>th</sup> Floor  
Boston, MA 02109**

## 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 M.G.L. c. 6D, § 13 and 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews. To complete the Notice, it is necessary to read and comply with 958 CMR 7.00, a copy of which may be obtained on the Commission’s website at [www.mass.gov/hpc](http://www.mass.gov/hpc). Capitalized terms in this Notice are defined in 958 CMR 7.02. Additional sub-regulatory guidance may be available on the Commission’s website (e.g., Technical Bulletins, FAQs). 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.

### *REQUIREMENT TO FILE*

This Notice must be submitted by any Provider or Provider Organization with \$25 million or more in Net Patient Service Revenue in the preceding fiscal year that is proposing a Material Change, as defined in 958 CMR 7.02. Notice must be filed with the Commission not fewer than 60 days before the consummation or closing of the transaction (i.e., the proposed effective date of the proposed Material 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 Commission considers the Notice to be incomplete, or if the Commission requires clarification of any information to make its determination, the Commission may, within 30 days of receipt of the Notice, notify the Provider or Provider Organization of the information or clarification necessary to complete the Notice.

The Commission will inform each notifying Provider or Provider Organization of any determination to initiate a Cost and Market Impact Review within 30 days of its receipt of a completed Notice and all required information, or by a later date as may be set by mutual agreement of the Provider or Provider Organization and the Commission.

### *CONFIDENTIALITY*

Information on this Notice form itself shall be a public record and will be posted on the Commission’s website. Pursuant to 958 CMR 7.09, the Commission shall keep confidential all nonpublic information and documents obtained in connection with a Notice of Material Change and shall not disclose the information or documents

to any person without the consent of the Provider or Payer that produced the information or documents, except in a Preliminary Report or Final Report of a Cost and Market Impact Review if the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret or anti-competitive considerations. The confidential information and documents shall not be public records and shall be exempt from disclosure under M.G.L. c. 4, § 7 cl. 26 or M.G.L. c. 66, § 10.

## NOTICE OF MATERIAL CHANGE

**Date of Notice: March 18, 2015**

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

<b>Contact Information</b>					
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3.	Business Address 1:	280 Chestnut Street			
4.	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:	Senior Vice President Finance & Community Hospitals/Chief Financial Officer & Treasurer			
9.	Contact Phone:	413-794-3290	Extension:		
10.	Contact Email:	dennis.chalke@baystatehealth.org			

<b>Description of Organization</b>	
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11.	Briefly describe your organization.	<p>Baystate Health, Inc. (Baystate) is the not-for-profit, charitable 501(c)(3) parent of a healthcare system primarily serving the Pioneer Valley of western Massachusetts. Baystate's subsidiaries include Baystate Medical Center, Inc., a tertiary and teaching hospital in clinical partnership with Tufts University School of Medicine, and three community hospitals (Baystate Franklin Medical Center, Inc., Baystate Mary Lane Hospital Corporation, and Baystate Wing Hospital Corporation). There are a total of 824 beds across these facilities. Baystate also operates several local medical practices serving the Pioneer Valley. Baystate's mission is to improve the health of the people of the communities it serves, with quality, respect and compassion, and to provide high-quality, affordable healthcare to patients in their local communities. Baystate also provides a significant amount of unreimbursed care (at a cost of more than \$112 million in 2014) and community-benefit funding to improve the health and well-being of its communities.</p>
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Type of Material Change			
12.	<p>Check the box that most accurately describes the proposed Material Change involving a Provider or Provider Organization:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> A Merger or affiliation with, or Acquisition of or by, a Carrier;</li> <li><input checked="" type="checkbox"/> A Merger with or Acquisition of or by a Hospital or a hospital system;</li> <li><input type="checkbox"/> Any other Acquisition, Merger, or affiliation (such as a Corporate Affiliation, Contracting Affiliation, or employment of Health Care Professionals) of, by, or with another Provider, Providers (such as multiple Health Care Professionals from the same Provider or Provider Organization), or Provider Organization that would result in an increase in annual Net Patient Service Revenue of the Provider or Provider Organization of ten million dollars or more, or in the Provider or Provider Organization having a near-majority of market share in a given service or region;</li> <li><input type="checkbox"/> Any Clinical Affiliation between two or more Providers or Provider Organizations that each had annual Net Patient Service Revenue of \$25 million or more in the preceding fiscal year; provided that this shall not include a Clinical Affiliation solely for the purpose of collaborating on clinical trials or graduate medical education programs; and</li> <li><input type="checkbox"/> Any formation of a partnership, joint venture, accountable care organization, parent corporation, management services organization, or other organization created for administering contracts with Carriers or third-party administrators or current or future contracting on behalf of one or more Providers or Provider Organizations.</li> </ul>		
13.	<table border="1" style="width: 100%;"> <tr> <td style="width: 40%;">What is the proposed effective date of the proposed Material Change?</td> <td>On or about June 30, 2015</td> </tr> </table>	What is the proposed effective date of the proposed Material Change?	On or about June 30, 2015
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Material Change Narrative			
14.	<p><i>Briefly describe the nature and objectives of the proposed Material Change:</i></p> <p>Baystate and The Trustees of Noble Hospital, Inc. d/b/a Noble Hospital (Noble), have agreed to a series of actions to make an informed decision concerning the signing of a Definitive Agreement, pursuant to which Noble would join the Baystate healthcare system. Under the proposed transaction, Baystate would become the sole member of Noble, and the Board of Noble would be comprised of the same members as the Board of Baystate.</p> <p>The objectives of the proposed transaction are to ensure Noble's continued existence as an acute-care hospital and to allow the parties to further their common charitable missions of maintaining and enhancing the availability of high-quality, affordable health care in the western Massachusetts service area and improving the health of the community. Noble currently faces financial and operational challenges, including pressures on operating margins and limited access to capital; demand by health care consumers and payors for access to subspecialty services and the latest clinical technologies; changes relating to the provision of, and payment for, services based on outcomes; and difficulties in recruitment of qualified physicians and other employees. A combination with Baystate would provide Noble with the clinical and financial resources of a regional health system anchored by a tertiary hospital and would yield economic and operational efficiencies and enhanced clinical offerings that will allow for the continuing delivery of high-quality, affordable health care to patients in Noble's service area. Under the proposed transaction, Baystate has agreed to operate Noble as an acute-care, community hospital in Westfield for a period of at least five years and to make capital commitments to Noble, strengthening Noble's ability to provide local health care to the greater Westfield community.</p>		
15.	<p><i>Briefly describe the anticipated impact of the proposed Material Change:</i></p> <p>Both Baystate and Noble believe that the proposed transaction will positively impact the communities they serve. Primarily, the proposed transaction will ensure that Noble will continue to exist as a full-service, acute-care hospital serving the greater Westfield community. Baystate and Noble both recognize that independent community hospitals like Noble face myriad challenges in the current health care environment. In order to survive in this environment, Noble needs investment from and partnership with a regional health system like Baystate. The proposed transaction will strengthen Noble's ability to provide high-quality, affordable health care through clinical and financial integration with Baystate. Under the terms of the proposed transaction, Baystate will commit to investing in Noble and working to increase its daily census so that more patients are able to receive high-quality, less expensive care closer to home. In addition, the proposed transaction will maintain the existing population base needed for Baystate to continue to provide lower-cost tertiary care services in western Massachusetts, maintain and strengthen existing clinical relationships between Baystate and Noble, and improve recruitment of qualified physicians and other employees at Noble.</p>		

<b>Development of the Material Change</b>	
16.	Describe any other Material Changes you anticipate making in the next 12 months:
	Baystate does not currently anticipate any other Material Change 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:
	Baystate 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 and the Public Charities Division of the Office of the Attorney General and with staff members of the Health Policy Commission. In addition, the parties have determined that the proposed transaction does not meet the threshold for filing a Hart-Scott-Rodino Notification with the Federal Trade Commission.
<b>Affidavit of Truthfulness and Proper Submission</b>	

I, the undersigned, certify that:

1. I have read 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews.
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, the Office of the Attorney General, and the Center for Health Information and Analysis as required.

Signed on the 18 day of March, 20 15, under the pains and penalties of perjury.


Signature: 

Name: Dennis W. Chalke

Title: Senior Vice President Finance & Community Hospitals/CFO & Treasurer, Baystate Health

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



  
 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)



## 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 M.G.L. c. 175; a nonprofit Hospital service corporation organized under M.G.L. c. 176A; a nonprofit medical service corporation organized under M.G.L. c. 176B; a health maintenance organization organized under M.G.L. c. 176G; and an organization entering into a preferred provider arrangement under M.G.L. c. 176I; provided, that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of one or more subsidiaries or affiliated corporations of the employer; provided that, unless</p>

		<p>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>“Net Patient Service Revenue”, the total revenue received for patient care from any third party Payer net of any contractual adjustments. For Hospitals, Net Patient Service Revenue should be as reported to the Center under M.G.L. c. 12C, § 8. For other Providers or Provider Organizations, Net Patient Service Revenue shall include the total revenue received for patient care from any third Party payer net of any contractual adjustments, including: (1) prior year third party settlements; and (2) premium revenue, which means per-member-per-month amounts received from a third party Payer to provide comprehensive Health Care Services for that period, for all Providers represented by the Provider or Provider Organization in contracting with Carriers, for all Providers represented by the Provider or Provider Organization in contracting with third party Payers..</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 one or more health care Providers in contracting with Carriers or third-party administrators for the payments of Heath Care Services; provided, that a 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 fewer than 60 days from the date of the filing of the 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 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>