

NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: **May 1, 2015**

1. Name: **UMass Memorial Medical Center, Inc.**

	Federal TAX ID #	MA DPH Facility ID #	NPI #
2.	04-3358564	V111	1831151455

CONTACT INFORMATION

3. Business Address 1: **One Biotech**

4. Business Address 2: **365 Plantation Street**

5. City: **Worcester** State: **MA** Zip Code: **01605**

6. Business Website: **www.umassmemorialhealthcare.org**

7. Contact First Name: **John** Contact Last Name: **Glassburn**

8. Title: **Associate General Counsel**

9. Contact Phone: **508-334-1700** Extension:

10. Contact Email: **john.glassburn@umassmemorial.org**

DESCRIPTION OF ORGANIZATION

11. *Briefly* describe your organization.

UMass Memorial Medical Center ("UMass Memorial") is an academic acute care hospital that is a subsidiary of UMass Memorial Health Care, Inc., central Massachusetts' largest not-for-profit health care delivery system, and has 779 licensed beds on three campuses. UMass Memorial maintains medical care facilities with expertise in cardiology, orthopedics, cancer, emergency medicine, surgery, women's health, and children's medical services.

TYPE OF MATERIAL CHANGE

12. Check the box that most accurately describes the proposed Material Change involving a Provider or Provider Organization:

- A Merger or affiliation with, or Acquisition of or by, a Carrier;
- A Merger with or Acquisition of or by a Hospital or a hospital system;
- 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;
- 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 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.

13. What is the proposed effective date of the proposed Material Change? **July 1, 2015**

MATERIAL CHANGE NARRATIVE

14. *Briefly* describe the nature and objectives of the proposed Material Change, including whether any changes in Health Care Services are anticipated in connection with the proposed Material Change:

Quest Diagnostics Incorporated ("Quest") is the world's leading provider of diagnostic testing, information, and services for the needs of patients and doctors. UMass Memorial desires to purchase a minority (18.9%) interest in a Quest subsidiary, Quest Diagnostics Massachusetts LLC. This subsidiary holds substantially all of the physician and UMass Memorial hospital-based clinical diagnostic testing business of Quest in Massachusetts.

By acquiring this interest, UMass Memorial will have the right to nominate one of five directors of the management board of Quest Diagnostics Massachusetts LLC. The acquisition, however, will not otherwise alter the governance of the business or the way it is currently operated and managed. No personnel changes are expected from the acquisition.

15. *Briefly* describe the anticipated impact of the proposed Material Change, including but not limited to any anticipated impact on reimbursement rates, care referral patterns, access to needed services, and/or quality of care:

UMass Memorial's acquisition of a minority interest in the Quest subsidiary will have no adverse impact on service offerings, service levels, or operations in Massachusetts. Additionally, the acquisition, by itself, will not change Quest's market share or enable it to increase prices.

DEVELOPMENT OF THE MATERIAL CHANGE

16. Describe any other Material Changes you anticipate making in the next 12 months:
None anticipated at this time.

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:
No other applications, forms, notices, or other materials have been submitted to other state or federal agencies.

SUPPLEMENTAL MATERIALS

18. Submit the following materials, if applicable, under separate cover to HPC-Notice@state.ma.us

The Health Policy Commission shall keep confidential all nonpublic information, as requested by the parties, in accordance with M.G.L. c. 6D, § 13(c), as amended by 2013 Mass. Acts, c. 38, § 20 (July 12, 2013).

- a. Copies of all current agreement(s) (with accompanying appendices and exhibits) governing the proposed Material Change (e.g., definitive agreements, affiliation agreements);
- b. A current organizational chart of your organization
- c. Any analytic support for your responses to Questions 14 and 15 above.

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