

NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: 6/29/15

1. Name: **Lahey Clinical Performance Network, LLC**

	Federal TAX ID #	MA DPH Facility ID #	NPI #
2.	27-3336906	N/A	N/A

CONTACT INFORMATION

3. Business Address 1: **41 Mall Road**

4. Business Address 2:

5. City: **Burlington** State: **MA** Zip Code: **01805**

6. Business Website: **Laheyhealth.org**

7. Contact First Name: **David** Contact Last Name: **Spackman**

8. Title: **General Counsel & SVP Gov't Relations**

9. Contact Phone: **781-744-3466** Extension:

10. Contact Email: **David.G.Spackman@Lahey.org**

DESCRIPTION OF ORGANIZATION

11. *Briefly* describe your organization.

Please see attached sheet entitled "Description of Organization".

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? **Following receipt of required approval.**

Description of Organization

Lahey Clinical Performance Network, LLC (“LCPN”) is a direct subsidiary of and serves as a management service organization for the participating providers and facilities that comprise Lahey Health System, Inc. (“Lahey Health”), a Massachusetts non-profit corporation. Lahey Health is the direct and indirect corporate parent of a number of operating subsidiaries which provide a full continuum of integrated health services in northeastern Massachusetts and southern New Hampshire. LCPN promotes clinical integration with and among the providers and affiliates of Lahey Health through negotiations and contracting with third party payors, undertaking activities and quality initiatives in support of implementing the terms of such contracts.

Lahey Health’s primary subsidiaries include: (i) Lahey Hospital & Medical Center, an acute care hospital in Burlington, MA, and a satellite campus in Peabody, MA, and an outpatient center in Lexington, MA; (ii) Beverly Hospital, an acute care hospital in Beverly, MA, a satellite campus at Addison Gilbert Hospital in Gloucester, MA, an outpatient center in Danvers, MA, and BayRidge Hospital, an inpatient psychiatric hospital in Lynn, MA; (iii) Lahey Clinic, a physician group practice with offices in Burlington, Peabody and other locations throughout northeastern Massachusetts and southern New Hampshire, including more than 30 primary care physician practices; (iv) Lahey Health Senior Care, providing skilled nursing care at Seacoast Nursing and Rehabilitation Center and Ledgewood Rehabilitation and Skilled Nursing Center as well as home care, adult day health care, and private duty care; (v) Lahey Health Behavioral Services, providing outpatient and inpatient behavioral health care at a number of locations; (vi) Winchester Hospital, an acute care hospital in Winchester, MA, with licensed satellite facilities, including the Winchester Hospital Family Medical Center in Wilmington, MA, the Winchester Outpatient Center in Woburn, MA and the Winchester Hospital Imaging Center in Woburn, MA; (vii) Winchester Physician Associates, Inc. which employs community practice physicians in the Winchester Hospital primary service area; and (viii) Visiting Nurse Association of Middlesex-East in Waltham and Lahey Health at Home in Beverly, both home care agencies serving patients in and around the primary service areas of local hospitals and providers.

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:
Lahey Clinical Performance Network, LLC ("LCPN") and Boston Children's Hospital ("Children's") plan to enter into a contract whereby Children's will be designated by LCPN as the preferred pediatric academic medical center for LCPN provider's patients, when appropriate. The arrangement will include developing clinical and other initiatives to achieve the parties' shared goals of achieving high quality and cost effective care for LCPN provider's and Children's shared patients.

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:
LCPN and Children's will become more clinically aligned in order to provide high quality, cost effective care to patients in the most appropriate setting. LCPN and Children's will jointly develop programs and initiatives to improve the quality outcomes and cost effectiveness of care delivered to the LCPN provider's and Children's shared patients.

DEVELOPMENT OF THE MATERIAL CHANGE

16. Describe any other Material Changes you anticipate making in the next 12 months:
The parties do not anticipate any further material changes to their relationship 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:
None, other than as stated herein.

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.

[Remainder of this page intentionally left blank]

Print this page, sign, notarize, and submit as a .PDF separately from the writable portion (p. 4-5) 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 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 30th day of June, 2015, under the pains and penalties of perjury.

Signature: _____

David J. Spackman

Name: _____

Lahey Clinical Performance Network, LLC

Title: _____

General Counsel & SVP Gov't Relations

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:

Barbara T. Lamont

Notary Signature

Commission Expires: June 18, 2018

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)