

NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: Feb. 5, 2016

1. Name: **Baystate Wing Hospital Corporation**

	Federal TAX ID #	MA DPH Facility ID #	NPI #
2.	22-2519813	2181	1962410233

CONTACT INFORMATION

3. Business Address 1: **40 Wright Street**

4. Business Address 2:

5. City: **Palmer** State: **MA** Zip Code: **01069**

6. Business Website: <http://www.baystatewinghospital.org/>

7. Contact First Name: **Michael** Contact Last Name: **Moran**

8. Title: **Interim President, Baystate Wing Hospital Corporation**

9. Contact Phone: **(413) 370-5210** Extension:

10. Contact Email: Michael.Moran@baystatehealth.org

DESCRIPTION OF ORGANIZATION

11. *Briefly* describe your organization.

Baystate Wing Hospital Corporation (BWH) is a Massachusetts not for profit community hospital, the sole member of which is Baystate Health, Inc., the not for profit, charitable 501(c)(3) parent of an integrated health care delivery system primarily serving Western Massachusetts. BWH was founded in 1913 and is located in Palmer, Massachusetts. The hospital provides a broad range of emergency, medical, surgical, home health, hospice and psychiatric services to residents of Palmer, Ware, Monson, Wilbraham, Ludlow, Belchertown and other nearby towns. BWH has 74 licensed beds, including 42 medical/surgical and ICU beds, 4 pediatric beds and 28 psychiatric beds, and approximately 72 active medical staff providers and 776 employees. BWH is fully accredited by The Joint Commission, it is qualified as a Disproportionate Share Hospital, and it is designated a Primary Stroke Service Center by the Massachusetts Department of Public Health.

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? **June 1, 2016**

MATERIAL CHANGE NARRATIVE

14. *Briefly* describe the nature and objectives of the proposed Material Change, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of Health Care Services) and whether any changes in Health Care Services are anticipated in connection with the proposed Material Change:

BWH has entered into an Agreement of Merger with Baystate Mary Lane Hospital Corporation (BMLH), a not for profit community hospital, pursuant to which BWH and BMLH have agreed to merge BMLH with and into BWH. Under the terms of the proposed transaction, BWH will be the surviving entity and will be operated under a single hospital license. Following consummation of the transaction, all inpatient medical and surgical care and most observation care will be provided at BWH. Satellite emergency services, outpatient surgical procedures, chemotherapy and other cancer care, laboratory services, imaging and limited observation care will continue to be provided at the BMLH facilities, which will become a satellite location under BWH's hospital license. There will be no exchange of funds between the parties with respect to the proposed transaction and no changes in Health Care Services, as defined in 958 CMR 7.02, are anticipated.

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:

It is anticipated that the proposed transaction will enhance access to high-quality, cost-effective care in the communities jointly served by BWH and BMLH. BWH and BMLH, which together comprise the Baystate Health Eastern Region, are located less than 10 miles away from each other. The inpatient average daily census at BMLH is currently low, and with 74 inpatient beds, BWH currently has more than sufficient capacity to care for the patients who are now hospitalized at BMLH. It is anticipated that concentrating inpatient hospital care in one higher-volume facility with more critical-care resources and capabilities will provide the community with increased access to higher-quality care. The anticipated increased census at BWH will also enable BWH to attract more specialists to the area. The proposed transaction will reduce duplication and improve efficiency of care delivery, and thereby help to manage health care costs and enhance long-term viability of health care delivery in the region. The merger will also help to ensure that the most appropriate care is delivered in the most appropriate settings and that the communities served by BWH and BMLH continue to have access to high-quality care. Other than the consolidation of inpatient medical and surgical care and most observational care at BWH, it is not anticipated that the proposed transaction will impact case referral patterns. Neither BWH nor BMLH anticipates that the proposed transaction will impact reimbursement rates.

DEVELOPMENT OF THE MATERIAL CHANGE

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

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:

At or about the time of the filing of this Notice of Material Change, BWH and/or BMLH will file applicable notices with the Department of Public Health and the Public Health Commission, the Division of Medical Assistance (MassHealth), the Office of the Attorney General and the Center for Health Information and Analysis, as required. BWH and BMLH believe that the proposed transaction is subject to the "single entity" doctrine in antitrust and is exempt from any requirements of the Hart-Scott-Rodino Act.

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 29th day of January, 2016, under the pains and penalties of perjury.

Signature:  29 JAN 16

Name: Michael F. Moran

Title: Interim President, Baystate Wing Hospital Corporation

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:


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)