

NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: Feb. 5, 2016

1. Name: **Baystate Mary Lane Hospital Corporation**

	Federal TAX ID #	MA DPH Facility ID #	NPI #
2.	04-2103584	2148	1144221847

CONTACT INFORMATION

3. Business Address 1: **85 South Street**

4. Business Address 2:

5. City: **Ware** State: **MA** Zip Code: **01082**

6. Business Website: <https://www.baystatehealth.org/locations/mary-lane-hospital>

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

8. Title: **Interim President, Baystate Mary Lane 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 Mary Lane Hospital Corporation (BMLH) 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. BMLH was founded in 1909 and is located in Ware, Massachusetts. The hospital provides a broad range of services, including emergency, medical, surgical, cancer care, women's health, pediatrics and imaging services, to residents of Ware and surrounding towns. BMLH is among the smallest acute care hospitals in the Commonwealth, with 25 licensed beds, and approximately 102 active medical staff providers and 259 employees. BMLH is fully accredited by The Joint Commission.

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:

BMLH has entered into an Agreement of Merger with Baystate Wing Hospital Corporation (BWH), a not for profit community hospital, pursuant to which BMLH and BWH have agreed to merge BMLH with and into BWH. Under the terms of the proposed transaction, BWH will be the surviving entity under a single hospital license, and BMLH will be a satellite location under that license. Following consummation of the transaction, all inpatient medical and surgical care and most of the observation care currently provided at BMLH will be provided at BWH. The satellite location at the BMLH location will continue to provide satellite emergency services, outpatient surgical procedures, chemotherapy and other cancer care, laboratory services, imaging, women's health, pediatrics and limited observation care. There will be no exchange of funds between the parties with respect to the proposed transaction and, other than the relocation to BWH of inpatient medical and surgical care formerly located at BMLH, 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:

BMLH jointly serves the communities of Ware, Palmer and neighboring towns along with BWH, which is located less than 10 miles away. The current daily average inpatient census at BMLH is low, and BWH currently has more than sufficient capacity to care for the small inpatient population currently served by BMLH. BMLH anticipates that its inpatient population will be better served and receive more enhanced services at BWH, and that the proposed transaction will provide the community with access to sustainable, efficient and high-quality inpatient services. Following the consummation of the proposed transaction, the former BMLH campus will continue to serve the community as a satellite BWH location in various ways, including satellite emergency services, chemotherapy and other cancer care, outpatient surgical procedures, laboratory services, imaging, women's health and pediatrics, and BWH will consider new ways to utilize the former BMLH campus and facilities to serve the community that are not duplicative of the inpatient care provided by BWH. Other than the consolidation of inpatient medical and surgical care and most observation 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:

BMLH and BWH will make submissions regarding the proposed transactions to all applicable regulatory agencies, including the Massachusetts Office of the Attorney General and the Massachusetts Department of Public Health. BMLH and BWH 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 Mary Lane 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)