

NOTICE OF MATERIAL CHANGE

Date of Notice: August 12, 2016

1.	Name:	Hallmark Health PHO, Inc.				
2.	Federal TAX ID #	MA DPH Facility ID #		NPI #		
	46-1134759					
Contact Information						
3.	Business Address 1:	170 Governors Avenue				
4.	Business Address 2:					
5.	City:	Medford	State:	MA	Zip Code:	02155
6.	Business Website:	www.hallmarkhealth.org				
7.	Contact First Name:	Charles	Contact Last Name:	Whipple		
8.	Title:	Executive Vice President and Chief Legal Officer				
9.	Contact Phone:	781-979-3050	Extension:			
10.	Contact Email:	cwhipple@hallmarkhealth.org				
Description of Organization						
11.	<i>Briefly</i> describe your organization.					
	Hallmark Health PHO, Inc. (“HHPHO”) is the managed care contracting organization for Hallmark Health’s hospital and its physicians, as well as the Melrose Wakefield IPA and the Lawrence Memorial IPA and their respective physicians. It is comprised of approximately 400 physicians providing a range of services in primary care, family medicine, and numerous specialties and surgical services to patients throughout communities just north of Boston.					
Type of Material Change						
12.	Check the box that most accurately describes the proposed material change:					
	<input type="checkbox"/> A Merger or affiliation with, or Acquisition of or by, a Carrier; <input type="checkbox"/> A Merger with or Acquisition of or by a Hospital or a hospital system; <input checked="" 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; <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; <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.					
13.	What is the proposed effective date of the proposed material change?	January 1, 2017, subject to receipt of any necessary regulatory consents and approvals.				

Material Change Narrative	
14.	<i>Briefly</i> 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:
	Under the proposed material change HHPHO will become an independent Local Care Organization (“LCO”) within the New England Quality Care Alliance, Inc. (“NEQCA”) network. As a member of the NEQCA network, HHPHO will join NEQCA in achieving its “quadruple aim” of improving the overall health of its patient population, driving a better patient experience, lowering costs and creating improved professional provider satisfaction. Under this arrangement HHPHO will join NEQCA’s payer contracts. NEQCA is a leader in value based contracting and will assist the transition of the HHPHO to the value based marketplace. NEQCA will provide HHPHO with the clinical and administrative services that support all of its LCOs, such as a patient centered medical home model, care management and behavioral health team support, quality improvement expertise and assistance, and pharmaceutical care and cost management, along with the data and analytical support to successfully deploy the strategies and actions necessary to meet shared clinical, quality and efficiency goals.
15.	<i>Briefly</i> 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:
	The HHPHO affiliation with NEQCA will help align incentives to drive patient volume to the most appropriate, lower cost care setting especially in the community. This affiliation, in conjunction with the larger system affiliation of the Hallmark Health system and the Wellforce system, will expand access to clinical and population management services, enhance the quality and lower the overall cost of care provided to their communities through: <ul style="list-style-type: none"> • An alignment of incentives among the Wellforce system physicians and hospitals; • Improved access to high quality, clinically-integrated healthcare services for patients throughout a broad geographic community; • Implementation of a common, coordinated approach to population health management across the constituent systems; • Innovation in care management models, dissemination of best practices, shared infrastructure and information systems; • Augmentation and greater integration of behavioral health services; • Growth in primary care services; and • Fostering the redirection of care to more efficient settings, including a lower cost tertiary and quaternary care center, and the retention of more complex cases in the community setting.
Development of the Material Change	
16.	Describe any other material changes you anticipate making in the next 12 months:
	Please note the larger system affiliation between Hallmark Health and Wellforce described in Section 15 and refer to Notices of Material Change to be filed in connection therewith.
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:
	It is expected that a notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, will be made to the federal antitrust agencies by both Wellforce and Hallmark Health.

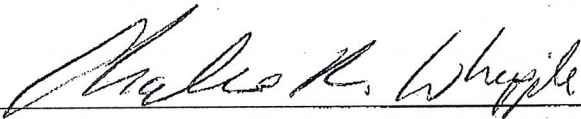
This signed and notarized Affidavit of Truthfulness and Proper Submission is required for a complete submission.

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.

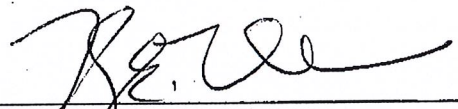
Signed on the 12th day of August, 2016, under the pains and penalties of perjury.

Signature: 

Name: Charles R. Whipple

Title: EVP & Chief Legal Officer

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Notary Signature

Kerry E. McCarron

My commission expires: October 31, 2019

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)