



MASSACHUSETTS
HEALTH POLICY COMMISSION

NOTICE OF MATERIAL CHANGE FORM

Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

GENERAL INSTRUCTIONS

The attached form should be used by a Provider or Provider Organization to provide a Notice of Material Change (“Notice”) to the Health Policy Commission (“Commission”), as required under M.G.L. c. 6D, § 13 and 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews. To complete the Notice, it is necessary to read and comply with 958 CMR 7.00, a copy of which may be obtained on the Commission’s website at www.mass.gov/hpc. Capitalized terms in this Notice are defined in 958 CMR 7.02. Additional sub-regulatory guidance may be available on the Commission’s website (e.g., Technical Bulletins, FAQs). For further assistance, please contact the Health Policy Commission at HPC-Notice@state.ma.us. This form is subject to statutory and regulatory changes that may take place from time to time.

REQUIREMENT TO FILE

This Notice must be submitted by any Provider or Provider Organization with \$25 million or more in Net Patient Service Revenue in the preceding fiscal year that is proposing a Material Change, as defined in 958 CMR 7.02. Notice must be filed with the Commission not fewer than 60 days before the consummation or closing of the transaction (i.e., the proposed effective date of the proposed Material Change).

SUBMISSION OF NOTICE

One electronic copy of the Notice, in a portable document form (pdf), should be submitted to the following:

Health Policy Commission HPC-Notice@state.ma.us;

Office of the Attorney General HCD-6D-NOTICE@state.ma.us;

Center for Health Information and Analysis CHIA-Legal@state.ma.us

PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

If the Commission considers the Notice to be incomplete, or if the Commission requires clarification of any information to make its determination, the Commission may, within 30 days of receipt of the Notice, notify the Provider or Provider Organization of the information or clarification necessary to complete the Notice.

The Commission will inform each notifying Provider or Provider Organization of any determination to initiate a Cost and Market Impact Review within 30 days of its receipt of a completed Notice and all required information, or by a later date as may be set by mutual agreement of the Provider or Provider Organization and the Commission.

CONFIDENTIALITY

Information on this Notice form itself shall be a public record and will be posted on the Commission’s website. Pursuant to 958 CMR 7.09, the Commission shall keep confidential all nonpublic information and documents obtained in connection with a Notice of Material Change and shall not disclose the information or documents to any person without the consent of the Provider or Payer that produced the information or documents, except in a Preliminary Report or Final Report of a Cost and Market Impact Review if the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret or anti-competitive considerations. The confidential information and documents shall not be public records and shall be exempt from disclosure under M.G.L. c. 4, § 7 cl. 26 or M.G.L. c. 66, § 10.

NOTICE OF MATERIAL CHANGE

Date of Notice: August 12, 2016

1.	Name:	Wellforce Inc.				
2.	Federal TAX ID #	MA DPH Facility ID #		NPI #		
	47-2250732					
Contact Information						
3.	Business Address 1:	16 New England Executive Park				
4.	Business Address 2:	Suite 110				
5.	City:	Burlington	State:	MA	Zip Code:	01803
6.	Business Website:	www.wellforce.org				
7.	Contact First Name:	Jeffrey	Contact Last Name:	Weinstein		
8.	Title:	General Counsel				
9.	Contact Phone:	617-636-2815	Extension:			
10.	Contact Email:	JWeinstein@tuftsmedicalcenter.org				
Description of Organization						
11.	<i>Briefly</i> describe your organization.					
	Wellforce Inc. ("Wellforce") is the parent organization of Circle Health, Inc. ("Circle Health") and Tufts Medical Center Parent, Inc. ("Tufts MC"). Circle Health in turn is the parent organization of a health care system that consists of The Lowell General Hospital, Circle Home Health, Inc., and other provider entities; and Tufts MC is the parent organization of Tufts Medical Center, Inc., and other provider and business entities, and is affiliated with Tufts University School of Medicine.					
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 checked="" type="checkbox"/> A Merger with or Acquisition of or by a Hospital or a hospital system <input 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; and <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?	Promptly upon the receipt of necessary regulatory consents and approvals.				

Material Change Narrative	
14.	<p><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:</p> <p>The proposed material change involves the affiliation of Hallmark Health Corporation (“Hallmark Health”) with Wellforce, pursuant to which Wellforce will become the sole corporate member of Hallmark Health. Wellforce will then serve as the “ultimate parent” entity for the Hallmark Health, Circle Health and Tufts MC systems. The material change will allow a close and effective coordination among the three Wellforce constituents, based on the principle of equal participants in the combined system, to enhance the quality and lower the overall cost of the care they provide to their communities through:</p> <ul style="list-style-type: none"> • Operational efficiencies; • Population health initiatives; • Effective integration of care across a broad continuum of services from primary to quaternary care throughout a wide geographic area; • Building on the efforts already undertaken between Circle Health and Tufts MC under Wellforce, fostering closer clinical collaborations between academic and community providers, furthering the redirection of care to more efficient settings, including tertiary and quaternary care, and the retention of more complex cases in the community; and • Promoting the academic mission of Tufts MC through enhanced and expanded clinical training opportunities in both academic and community environments. <p>Each of the constituents will retain significant autonomy subject to the reserve powers that will be vested in Wellforce. No consideration is being paid for the transaction. However, Wellforce does contemplate undertaking a financing that would allow investment in capital projects for Hallmark Health. Wellforce is committed to keeping the current health care services provided by Hallmark Health in the local communities, and, through clinical collaborations and investment in capital projects, anticipates supporting and further enhancing those services, including behavioral health services.</p>
15.	<p><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:</p> <p>Hallmark Health’s affiliation with Wellforce will further strengthen the goals initially set out by Wellforce (described below) and shared by Hallmark Health, and stabilize and strengthen Hallmark Health following a period of uncertainty as to its future direction. By increasing Wellforce’s scale, the affiliation will further Wellforce’s efforts to:</p> <ul style="list-style-type: none"> • Enhance the delivery of patient-centered care; • Improve access to high quality, clinically-integrated healthcare services for patients throughout a broad geographic community; • Implement a common, coordinated approach across the constituent systems to population health management; • Promote innovation in care management models, disseminate best practices, shared infrastructure and information systems; • Facilitate care delivery planning to ensure that services are provided in the most efficient setting, with incentives for close collaboration among physicians, facilities and other health care providers; and • Foster effective clinical integration across the continuum of care, including the implementation of risk-sharing strategies and the achievement of high performance outcomes. <p>Through Wellforce, the constituent systems will continue implementing a common set of responsibilities that maintains their respective autonomy while proactively promoting a collaborative and comprehensive future-looking strategic vision that reshapes how health care is provided.</p> <p>In addition, Hallmark Health PHO, Inc. (“HHPHO”), including the Hallmark Health hospital, will begin undertaking payer contracting through an affiliation with the New England Quality Care Alliance, Inc. (“NEQCA”), an affiliate of Tufts MC (which is described in more detail in Notices of Material Changes those parties are filing). The HHPHO/NEQCA affiliation is expected to have a positive effect on total medical expenditures associated with Hallmark Health. To the extent that Hallmark Health does not provide certain tertiary services locally, it is expected that patients of Hallmark Health PHO physicians are likely to receive those services at Tufts Medical Center, a low cost/high quality academic medical center, and that they are likely to receive quaternary services there as well.</p>
Development of the Material Change	
16.	<p>Describe any other material changes you anticipate making in the next 12 months:</p> <p>Please note HHPHO/NEQCA described in Section 15 and refer to Notices of Material Change to be filed in connection therewith.</p>
17.	<p>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:</p> <p>Hallmark Health will make required filings with the Department of Public Health, including applications for Determination of Need and suitability approval. 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.</p>

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.

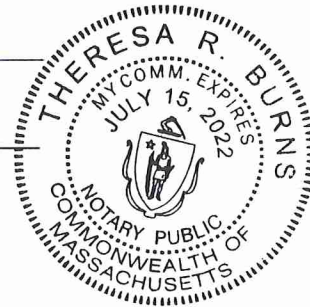
Signed on the _____ day of _____, 20 ¹⁶, under the pains and penalties of perjury.

Signature: Susan Green

Name: Susan Green

Title: Chief Financial Officer

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Theresa Burns
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)

EXPLANATIONS AND DEFINITIONS

1.	Name	Legal business name as reported with Internal Revenue Service. This may be the parent organization or local Provider Organization name.
2.	Federal TAX ID #	9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the internal revenue service.
	MA DPH Facility ID #	If applicable, Massachusetts Department of Public Health Facility Identification Number.
	National Provider Identification Number (NPI)	10-digit National Provider identification number issued by the Centers for Medicare and Medicaid Services (CMS). This element pertains to the organization or entity directly providing service.
3.	Business Address 1	Address location/site of applicant
4.	Business Address 2	Address location/site of applicant continued often used to capture suite number, etc.
5.	City, State, Zip Code	Indicate the City, State, and Zip Code for the Provider Organization as defined by the US Postal Service.
6.	Business Website	Business website URL
7.	Contact Last Name, First Name	Last name and first name of the primary administrator completing the registration form.
8.	Title:	Professional title of the administrator completing the registration form.
9.	Contact Telephone and Extension	10-digit telephone number and telephone extension (if applicable) for administrator completing the registration form
10.	Contact Email	Contact email for administrator
11.	Description of Organization	Provide a brief description of the notifying organization's ownership, governance, and operational structure, including but not limited to Provider type (acute Hospital, physician group, skilled nursing facilities, independent practice organization, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s).
		Indicate the nature of the proposed Material Change.
12.	Type of Material Change	<p><i>Definitions of terms:</i></p> <p>“Carrier”, an insurer licensed or otherwise authorized to transact accident or health insurance under M.G.L. c. 175; a nonprofit Hospital service corporation organized under M.G.L. c. 176A; a nonprofit medical service corporation organized under M.G.L. c. 176B; a health maintenance organization organized under M.G.L. c. 176G; and an organization entering into a preferred provider arrangement under M.G.L. c. 176I; provided, that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of one or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term “Carrier” shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or visions care services.</p>

“Hospital”, any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.

“Net Patient Service Revenue”, the total revenue received for patient care from any third party Payer net of any contractual adjustments. For Hospitals, Net Patient Service Revenue should be as reported to the Center under M.G.L. c. 12C, § 8. For other Providers or Provider Organizations, Net Patient Service Revenue shall include the total revenue received for patient care from any third Party payer net of any contractual adjustments, including: (1) prior year third party settlements; and (2) premium revenue, which means per-member-per-month amounts received from a third party Payer to provide comprehensive Health Care Services for that period, for all Providers represented by the Provider or Provider Organization in contracting with Carriers, for all Providers represented by the Provider or Provider Organization in contracting with third party Payers..

“Provider”, any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the Commonwealth to perform or provide Health Care Services.

“Provider Organization”, any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents one or more health care Providers in contracting with Carriers or third-party administrators for the payments of Health Care Services; provided, that a Provider Organization shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, Provider networks, accountable care organizations and any other organization that contracts with Carriers for payment for Health Care Services.

13.	Proposed Effective Date of the Proposed Material Change	Indicate the effective date of the proposed Material Change. NOTE: The effective date may not be fewer than 60 days from the date of the filing of the Notice.
14.	Description of the Proposed Material Change	Provide a brief narrative describing 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). Include organizational charts and other supporting materials as necessary to illustrate the proposed change in ownership, governance, or operational structure.
15.	Impact of the Proposed Material Change	Provide a brief description of any analysis conducted by the notifying organization as to the anticipated impact of the proposed Material Change including, but not limited to, the following factors, as applicable: <ul style="list-style-type: none">• Costs• Prices, including prices of the Provider or Provider Organization involved in the proposed Merger, Acquisition, affiliation or other proposed Material Change• Utilization• Health Status Adjusted Total Medical Expenses• Market Share• Referral Patterns• Payer Mix• Service Area(s)• Service Line(s)• Service Mix

16. Future Planned Material Changes Provide a brief description of the nature, scope and dates of any pending or planned Material Changes, occurring between the notifying organization and any other entity, within the 12 months following the date of the notice.

17. Submission to Other State or Federal Agencies Indicate the date and nature of any other applications, forms, notices or other materials provided to other state or federal agencies relative to the proposed Material Change, including but not limited to the Department of Public Health (e.g., Determination of Need Application, Notice of Intent to Acquire, Change in Licensure), Massachusetts Attorney General (e.g., notice pursuant to G.L. c. 180, §8A(c)), U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application) and Federal Trade Commission/Department of Justice (e.g., Notification and Report Form pursuant to 15 U.S.C. sec. 18a).
