

## NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: 10-7-16

1. Name: **HealthAlliance Hospitals, Inc.**

Federal TAX ID #	MA DPH Facility ID #	NPI #
04-2103555	2127	1013995133

### CONTACT INFORMATION

3. Business Address 1: **60 Hospital Road**

4. Business Address 2:

5. City: **Leominster** State: **MA** Zip Code: **01453**

6. Business Website: **www.umassmemorialhealthcare.org/healthalliance-hospital**

7. Contact First Name: **Deborah** Contact Last Name: **Weymouth**

8. Title: **President & CEO**

9. Contact Phone: **978-466-2193** Extension:

10. Contact Email: **dweymouth@healthalliance.com**

### DESCRIPTION OF ORGANIZATION

11. *Briefly* describe your organization.

HealthAlliance Hospitals, Inc. (HAH) is a Massachusetts not for profit community hospital, the sole member of which is Central New England HealthAlliance, Inc. (CNEHA). Both HAH and CNEHA are part of UMass Memorial Health Care, Inc., the not for profit parent company of an integrated health care delivery system. HAH provides services on campuses in Leominster and Fitchburg, including: emergency, medical, surgical, cancer care, women's health, ambulatory, pediatric and obstetric, and imaging services. Its 122 beds are on its Leominster campus. It has approximately 1,350 employees and 240 active and ambulatory (171 active) medical staff providers.

### 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? **3/1/17 or upon regulatory approvals.**

## 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:

HAH has entered into an Agreement of Merger with The Clinton Hospital Association (Clinton), a Massachusetts not for profit community hospital, pursuant to which they agree to merge Clinton into HAH. Under the terms of the proposed merger, HAH will be the surviving entity and Clinton will be a satellite campus under HAH's hospital license. HAH and Clinton are both part of UMass Memorial Health Care and the HAH campuses are located approximately 17 and 30 minutes from Clinton. The objectives of merging the hospitals are to enhance patient access, improve efficiency, and lower operating costs. Following the merger, HAH and Clinton will continue to provide their current services, and the hospitals will consider ways to calibrate work between them. There will be no exchange of funds. Other than the potential opportunities mentioned above, no changes to 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 merger will enhance access to high quality, cost-effective care in the communities served by HAH and Clinton. Clinton and HAH's two campuses are in close proximity, and it is believed there are opportunities to utilize the capabilities of each to help alleviate barriers to access, while considering ways to remove unnecessary duplication, thereby managing health care costs and improving the long-term viability of Clinton and HAH. Clinton anticipates seeking to increase its geriatric medical psychiatry capacities, while HAH desires to find ways to alleviate patient ED wait times and increase inpatient capacity for patients close to home. It is not anticipated that the proposed merger will impact case referral patterns. Given the small number of inpatients at Clinton, the change in reimbursement resulting from it coming under the HAH payor contracts is anticipated to be negligible.

## DEVELOPMENT OF THE MATERIAL CHANGE

16. Describe any other Material Changes you anticipate making in the next 12 months:

HAH may participate in a Medicaid ACO that has not been formed.

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:

Filing of a Determination of Need for Change of Ownership and a Notice of Intent to Acquire with the Department of Public Health.

## SUPPLEMENTAL MATERIALS

18. Submit the following materials, if applicable, under separate cover to [HPC-Notice@state.ma.us](mailto: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]

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.

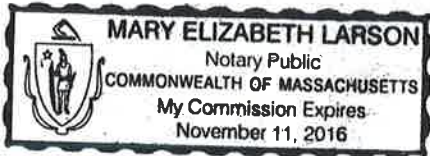
Signed on the 3 day of October, 2016, under the pains and penalties of perjury.

Signature: Deborah K. Weyman

Name: Deborah K. Weyman

Title: President + CEO, UMass Memorial-HealthAlliance

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



M Larson  
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)