

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:

1.	Name: The Children's Hospital Corporation		
2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-2774441	2139	1710087127

CONTACT INFORMATION

3.	Business Address 1: 300 Longwood Avenue		
4.	Business Address 2:		
5.	City: Boston	State: MA	Zip Code: 02115
6.	Business Website: http://www.childrenshospital.org/		
7.	Contact First Name: Wendy	Contact Last Name: Warring	
8.	Title: SVP, Network Development and Strategic Partnerships		
9.	Contact Phone: 617-919-4358	Extension:	
10.	Contact Email: Wendy.Warring @childrens.harvard.edu		

DESCRIPTION OF ORGANIZATION

11. Briefly describe your organization.

The Children's Hospital Corporation ("Boston Children's Hospital") owns and operates a 415-bed acute care hospital for children. As one of the largest pediatric medical centers in the US and the only freestanding pediatric hospital in Massachusetts, BCH offers a complete range of health care services for children from birth through 21 years of age. BCH's medical care and interventions can begin at 15 weeks gestation and, in some cases of congenital or acquired pediatric disease, BCH treats adults. BCH has approximately 24,000 bedded cases and 625,000 ambulatory visits annually and approx 1,500 pediatric specialists spanning over 40 specialties.

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? Following regulatory review/approval.

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:

Advances in the fields of prenatal diagnosis and fetal intervention - both surgical and non-surgical, and, in particular, gene and stem cell-based therapies - are resulting in new opportunities to improve children's health by intervening before birth. With these advancements, children's hospitals are increasingly establishing integrated fetal care centers to bring together maternal, neonatal and pediatric providers to support the integrated care and treatment of generally healthy maternal patients with high risk pregnancies and their fetuses with prenatally diagnosed abnormalities.

Boston Children's Hospital ("BCH") is seeking to transition its Advanced Fetal Care Center to an integrated Maternal Fetal Care Center ("the Center") with maternal support provided through a professional services agreement with Brigham and Women's Hospital ("BWH"). Key objectives of the Center are to: a) enhance care collaboration and coordination and foster clinical innovation by having maternal, fetal surgical and other specialty pediatric providers practicing together in the Center, b) streamline and improve patient experience at the Center by reducing the need for patients to go 'back and forth' between BCH and BWH for services, c) reduce duplicative services, such as radiology scans (ultrasound, MRI, and the like) and laboratory services, that are currently provided at each of BCH and BWH; (d) improve the overall quality of care and patient safety by coordinating the care provided to each of the mother and the fetus; e) reduce the need for patients from Massachusetts and other New England states to seek fetal intervention services from other more distant national centers such as those at Texas Children's and Children's Hospital of Philadelphia; and f) create an integrated maternal/fetal care destination for national and international rare/complex patients requiring fetal, neonatal and ultimately, pediatric services.

BCH and BWH, along with the BCH surgical foundation and the Brigham and Women's Physician Organization, Inc. ("BWPO"), plan to enter into a professional services agreement (noted above). The agreement will provide for BWH and BWPO to support care in the Center through the provision of the administrative and professional services of a maternal services medical director and maternal fetal medicine physicians to provide maternal care in the Center. The agreement will also include provisions for (i) branding the Center as the 'Boston Children's Maternal Fetal Care Center in affiliation with Brigham and Women's'; and (ii) establishing a Maternal Fetal Advisory Committee with representatives of both BCH and BWH to monitor, support and continually improve care in the Center and provide on-going oversight and coordination of the Parties'

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:

Currently, BCH refers maternal patients with complex fetal abnormalities requiring maternal services to BWH and other adult hospitals able to care for the mothers. Under the proposed professional services agreement described in Section 14 above, maternal fetal medicine services would be largely, though not entirely, provided at the Center. We do not anticipate that this change and consolidation of services in one service location rather than two will have an impact on reimbursement rates.

We believe that the transition to an integrated maternal fetal care center, coupled with recruitment of additional physicians with expertise and skills in fetal interventions, will improve access to fetal services and the overall quality of patient care and experience for patients in Massachusetts and New England, may reduce overall total medical expense ("TME") due to a reduction in duplicative services that are currently provided by both BCH and BWH, and will attract patients nationally and internationally. Adding additional capacity to see patients at BCH will help with integrated care and will also support innovation and advancement in fetal care, ultimately leading to improvements in children's health.

DEVELOPMENT OF THE MATERIAL CHANGE

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

The parties do not anticipate any further material change to their relationship in the next 12 months. Children's Hospital Corporation evaluates potential clinical affiliation opportunities as they arise and will file a Notice of Material Change for any future clinical affiliation where such Notice is required.

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:

None.

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]

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.

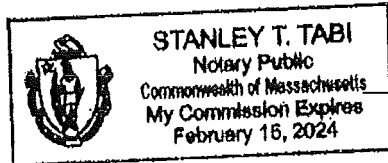
Signed on the 2 day of July, 2019, under the pains and penalties of perjury.

Signature: Wendy Warring

Name: Wendy Warring

Title: SVP, Network Development & Strategic Partnerships

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Stanley T. Tabi
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).
