



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 24, 2019

1. Name: Partners HealthCare System, Inc.

	Federal TAX ID #	MA DPH Facility ID #	NPI #
2.	04-3230035	N/A	N/A

CONTACT INFORMATION

3. Business Address 1: 399 Revolution Drive

4. Business Address 2: Suite 660

5. City: Somerville State: MA Zip Code: 02145

6. Business Website: www.partners.org

7. Contact First Name: Elizabeth Contact Last Name: Azano

8. Title: Legal Counsel

9. Contact Phone: 857-282-1968 Extension:

10. Contact Email: EAZANO@PARTNERS.ORG

DESCRIPTION OF ORGANIZATION

11. Briefly describe your organization.

Partners HealthCare System, Inc. ("PHS") is the parent organization of an integrated healthcare system ("Partners HealthCare") founded by Brigham and Women's Hospital and Massachusetts General Hospital. In addition to its two academic medical centers, Partners HealthCare includes community and specialty hospitals, a managed care and health insurance organization, community health centers, a physician network, long-term care and home health services, urgent care facilities and other health-related entities. Partners HealthCare is one of the nation's leading biomedical research organizations, and its hospitals are principal teaching affiliates of Harvard Medical School.

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? Promptly following receipt of all required 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:

Pursuant to an Agreement for Affiliation with Exeter Health Resources, Inc. dated as of April 12, 2019, upon the closing of the transaction (the "Acquisition"), The Massachusetts General Hospital, a Massachusetts not-for-profit corporation ("MGH"), would become the sole corporate member of a newly formed New Hampshire not-for-profit holding company (the "Network Parent") which would simultaneously become the sole corporate member of each of Wentworth-Douglass Hospital ("WDH") (which is currently the direct subsidiary of MGH), and Exeter Health Resources, Inc. ("EHR"), both of which are New Hampshire not-for-profit corporations, and the indirect parent of their respective subsidiaries, including Exeter Hospital ("EH").

The objective of the Acquisition is for WDH, EHR/EH and the newly created Network Parent to form an integrated New Hampshire-based regional health care system that, acting in coordination with MGH, will expand access for patients in the Seacoast region of Southern New Hampshire and Maine to high quality and affordable health care services.

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:

The parties anticipate that the Acquisition will (i) expand access to local health care services through enhanced coordination and seamless access to primary, secondary, tertiary and quaternary care as needed; (ii) improve quality and continuity of care through shared leadership and joint investment in resources (e.g., comprehensive population health management and a single electronic medical record); (iii) enable better coordination and rationalization of clinical programs and services to promote the provision of the appropriate level of care at the right provider location; (iv) achieve economies of scale that will enable the parties to more effectively use their clinical and administrative resources by spreading care management, capital planning and other overhead costs across a broader delivery system; and (v) increase WDH and EHR/EH's ability to recruit and retain highly qualified physicians, clinicians and staff.

Because of the integration, coordination and rationalization of programs and services described above, the parties do not anticipate that the Acquisition will have any adverse effect on reimbursement rates in New Hampshire nor on the rates paid by Massachusetts payers.

The parties do not anticipate that the Acquisition will have any material effect on the referral patterns of patients who are currently receiving care within the respective service areas of WDH and EHR/EH. However, the Acquisition will enable patients to receive higher levels of care locally at both WDH and EH such that fewer New Hampshire patients will need to travel to Boston or other tertiary centers for their care. The parties also anticipate that the Acquisition will improve access to subspecialty services and behavioral health services within the service areas of each of WDH and EH.

DEVELOPMENT OF THE MATERIAL CHANGE

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

PHS does not anticipate making any other Material Changes (as defined in 958 CMR 7.00) in the next 12 months.

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:

On May 23, 2019, WDH and EHR submitted a Notice to the New Hampshire Director of Charitable Trusts pursuant to NH RSA 7:19-b regarding the Acquisition. That notice is currently under review.

On May 30, 2019, PHS and EHR each filed a Hart-Scott-Rodino ("HSR") Pre-Merger Notification with the Federal Trade Commission and United States Department of Justice regarding the Acquisition. Copies of the HSR Notices were provided to the New Hampshire and Massachusetts Offices of Attorney General.

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 26 day of August, 2019, under the pains and penalties of perjury.

Signature: *Elizabeth M. Azano*

Name: Elizabeth Azano

Title: Legal Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



DENISE UGA
Notary Public
Commonwealth of Massachusetts
My Commission Expires
August 15, 2025

Denise Uga
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)