



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
250 Washington Street Boston, MA 02108

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February 15, 2018

VIA EMAIL - ekretchmer@kb-law.com

Emily B. Kretchmer, Esq.
Krokidas & Bluestein LLP
600 Atlantic Avenue
Boston, MA 02210

RE: Notice of Final Action DoN Application No. 17102515-TO – AdCare, Inc.

Dear Ms. Kretchmer:

At their meeting of February 14, 2018, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c.111 section 51-53 and the regulation promulgated thereunder, specifically, 105 CMR 100.735, to approve with conditions the Determination of Need application filed by AdCare, Inc., in connection with Transfer of Ownership through which American Addiction Centers (AAC) will become the sole corporate shareholder of AdCare.

This Notice of Final Action incorporates by reference the Staff Report, the Addendum to the Staff Report, and the Public Health Council proceedings concerning this application.

This Application was reviewed pursuant to M.G.L. c.111 section 51-53 and the regulation promulgated thereunder, specifically, 105 CMR 100.735. Based upon a review of the materials submitted, the Department finds that the Applicant has met each DoN factor and approves this Determination of Need application pursuant to 105 CMR 100.735. Approval is subject to 105 CMR 100.735(D)(3) relative to noncompliance, to the Standard Conditions relevant to Transfers of Ownership, and the following additional requirements which shall become conditions of the DoN:

Other Conditions

1. The Holder shall perform an outcomes assessment similar to the independent assessment conducted by AAC to AdCare and:
 - a. Its first report mandated by 105 CMR 100.310(L), submit to the Department a report that details, for each of those outcomes assessments; the baseline measures; expected benchmarks; measure specifications; and the anticipated time to meet goals;
 - b. Each subsequent year report those outcomes.
2. The Holder shall continue its participation in public payer contracts, and report annually on its Medicare (fee for service and MCO), Medicaid (fee for service and MCO), and commercial payer mix. The Holder's payer mix shall not appreciably change from year to year.

3. The Holder agrees to maintain its ASAM level of care criteria for level 4.0 and provide documentation, as required by MassHealth or otherwise, that they are admitting and treating patients with co-occurring acute psychiatric and/or acute complex medical conditions that meet the established definition of ASAM 4.0 level of care.
4. The Holder shall comply with requests for chart sampling to substantiate that level of care by regulating bodies, including DPH, CMS or MassHealth.
5. The Holder shall comply with any government or certifying body measures set for pharmacotherapy (MAT) initiation and maintenance treatment where clinically appropriate, in adherence with the level 4.0 ASAM Hospital setting criteria and along the care continuum, including that it be accompanied by complementary therapeutic services as indicated.
6. The Holder shall attest that prescribing activity is accompanied by appropriate use of laboratory services such that ratios of prescription to laboratory utilization do not exceed appropriate regulatory or certifying body current and new benchmarks as they are established.
7. The Holder shall, prior to testing, inform patients of any testing that exceeds their insurance coverage limits.

Ongoing compliance with the conditions and all terms of the DoN is, pursuant to the Regulation, a precondition to the filing of any future DoN by the Holder.

Sincerely,

~S~

Nora J. Mann, Esq.
Director
Determination of Need Program

cc: Sherman Lohnes, Director, Division of Health Care Facility Licensure and Certification
Rebecca Rodman, Deputy General Counsel
Samuel Louis, Office of Health Equity
Mary Byrnes, Center for Health Information and Analysis
Steven Sauter, MassHealth
Katherine Mills, Health Policy Commission
Ben Wood, Office of Community Health Planning