

BAYSTATE HEALTH, INC.

**DON APPLICATION # BH-20062607-AM
SIGNIFICANT AMENDMENT
BAYSTATE MEDICAL CENTER**

JUNE 26, 2020

BY

**BAYSTATE HEALTH, INC.
759 CHESTNUT STREET
SPRINGFIELD, MA 01199**

BAYSTATE HEALTH, INC.
APPLICATION # BH-20062607-AM

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**ATTACHMENT 1:
APPLICATION FORM**



Massachusetts Department of Public Health

Determination of Need

Application Form

Version: 11-8-17

Application Type: Application Date: 06/26/2020 7:18 am

Applicant Name:

Mailing Address:

City: State: Zip Code:

Contact Person: Title:

Mailing Address:

City: State: Zip Code:

Phone: Ext: E-mail:

Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name:

Facility Address:

City: State: Zip Code:

Facility type: CMS Number:

1. About the Applicant

1.1 Type of organization (of the Applicant):

1.2 Applicant's Business Type: ☒ Corporation ☐ Limited Partnership ☐ Partnership ☐ Trust ☐ LLC ☐ Other

1.3 What is the acronym used by the Applicant's Organization?

1.4 Is Applicant a registered provider organization as the term is used in the HPC/CHIA RPO program? ☒ Yes ☐ No

1.5 Is Applicant or any affiliated entity an HPC-certified ACO? ☒ Yes ☐ No

1.5.a If yes, what is the legal name of that entity?

1.6 Is Applicant or any affiliate thereof subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00 (filing of Notice of Material Change to the Health Policy Commission)? ☒ Yes ☐ No

1.7 Does the Proposed Project also require the filing of a MCN with the HPC? ☐ Yes ☒ No

1.8 Has the Applicant or any subsidiary thereof been notified pursuant to M.G.L. c. 12C, § 16 that it is exceeding the health care cost growth benchmark established under M.G.L. c. 6D, § 9 and is thus, pursuant to M.G.L. c. 6D, §10 required to file a performance improvement plan with CHIA? ☐ Yes ☒ No

1.9 Complete the Affiliated Parties Form

2. Project Description

2.1 Provide a brief description of the scope of the project.

Baystate Health, Inc. ("Applicant" or "Holder") located at 759 Chestnut Street, Springfield, MA 01199 is filing a request with the Massachusetts Department of Public Health for a Significant Change ("Application") by Baystate Medical Center ("BMC"), a licensed hospital located at 759 Chestnut Street, Springfield, MA 01199, with respect to BMC's previously issued Determination of Need ("DoN") Project #1-3B36. The previously issued DoN, as amended, approved new construction of a seven (7)-story addition at BMC that included replacement medical/surgical beds, additional medical/surgical and critical care beds, and other ancillary support service replacements, improvements, and additions, as well as shell space for future build out by BMC. The Holder now requests approval to build out 82,254 gross square feet ("GSF") at BMC to permit: the construction of seventeen (17) operating rooms ("ORs") to replace the same number of ORs currently located in BMC's Daly Building, as well as pre-procedure preparation and post-procedure recovery space; the addition of two (2) new interventional procedure rooms; the addition of one (1) computed tomography ("CT") unit; and other construction to accommodate necessary support functions and improve patient experience and wayfinding (collectively, the "Proposed Project"). The Proposed Project will increase the total DoN Project GSF to 724,893 GSF. This is the result from the build out of an additional 60,921 GSF of shell space, 5,419 GSF of a new addition, and an additional 15,914 GSF of renovation. The total associated incremental MCE is projected as \$69,881,577 (March 2020 Dollars). This brings the total MCE for the DoN to \$481,007,406 (March 2020 Dollars).

2.2 and 2.3 Complete the Change in Service Form

3. Delegated Review

3.1 Do you assert that this Application is eligible for Delegated Review? ☐ Yes ☒ No

4. Conservation Project

4.1 Are you submitting this Application as a Conservation Project? ☐ Yes ☒ No

5. DoN-Required Services and DoN-Required Equipment

5.1 Is this an application filed pursuant to 105 CMR 100.725: DoN-Required Equipment and DoN-Required Service? ☐ Yes ☒ No

6. Transfer of Ownership

6.1 Is this an application filed pursuant to 105 CMR 100.735? ☐ Yes ☒ No

7. Ambulatory Surgery

7.1 Is this an application filed pursuant to 105 CMR 100.740(A) for Ambulatory Surgery? ☐ Yes ☒ No

8. Transfer of Site

8.1 Is this an application filed pursuant to 105 CMR 100.745? ☐ Yes ☒ No

9. Research Exemption

9.1 Is this an application for a Research Exemption? ☐ Yes ☒ No

10. Amendment

10.1 Is this an application for a Amendment?

☒ Yes ☐ No

10.2 This Amendment is: ☐ Immaterial Change ☐ Minor Change ☒ Significant Change

10.3 Original Application number:

1-3B36

10.3.a Original Application Type:

Hospital/Clinic Substantial Capital Expenditure

10.3.b Original Application filing date:

03/30/2007

10.3.c Have there been any approved Amendments to the original Application?

☒ Yes ☐ No

10.3.d For each approved Amendment list all Amendment Numbers, Amendment types, and Approval Dates.

Add/Del Row	Amendment Number	Amendment Change Type	Approval Date
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.1	Minor	08/11/2009
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.2	Minor	11/18/2009
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.3	Significant	02/28/2011
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.4	Significant	09/19/2012
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.5	Significant	08/14/2014
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.6	Significant	01/26/2017
<input checked="" type="checkbox"/> <input type="checkbox"/>	1-3B36.7 (Application # BH-18073108-AM)	Significant	11/14/2018

For Significant Amendment Changes:

10.5.a Describe the proposed change.

See Attached Narrative.

10.5.b Describe the associated cost implications to the Holder.

See Attached Narrative.

10.5.c Describe the associated cost implications to the Holder's existing Patient Panel.

See Attached Narrative.

10.5.d Provide a detailed narrative, comparing the approved project to the proposed Significant Change, and the rationale for such change.

See Attached Narrative.

☒ **The Holder hereby swears or affirms that the above statements with respect to the proposed Significant Change are True.**

11. Emergency Application

11.1 Is this an application filed pursuant to 105 CMR 100.740(B)?

☐ Yes ☒ No

12. Total Value for Significant Amendments

Enter all currency in numbers only. No dollar signs or commas. Grayed fields will auto calculate depending upon answers above.

Your project application is for a: Significant Amendment

Filing Fee: \$0

12.1 Proposed increase in total value of this project:

\$69,881,577.00

12.2 Total increase in CHI commitment expressed in dollars: (calculated)

\$3,494,078.85

12.3 Total proposed Construction costs, specifically related to the Proposed Project, If any, which will be contracted out to local or minority, women, or veteran-owned businesses expressed in estimated total dollars.

13. Factors

Required Information and supporting documentation consistent with 105 CMR 100.210

Some Factors will not appear depending upon the type of license you are applying for.

Text fields will expand to fit your response.

Documentation Check List

The Check List below will assist you in keeping track of additional documentation needed for your application. Once you have completed this Application Form the additional documents needed for your application will be on this list. E-mail the documents as an attachment to: DPH.DON@state.ma.us

- ☒ Copy of Notice of Intent
- ☒ Affidavit of Truthfulness Form
- ☒ Electronic copy of Staff Summary for Approved DoN
- ☒ Electronic copy of Original Decision Letter for Approved DoN
- ☒ Electronic Copy of any prior Amendments to the Approved DoN
- ☒ Change in Service Tables Questions 2.2 and 2.3
- ☐ Certification from an independent Certified Public Accountant
- ☐ Notification of Material Change
- ☒ Articles of Organization / Trust Agreement

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form.

To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit

Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the "E-mail submission to Determination of Need" button.

This document is ready to file:



Date/time Stamp: 06/26/2020 7:18 am

E-mail submission to
Determination of Need

Application Number: BH-20062607-AM

Use this number on all communications regarding this application.

☐ Community Engagement-Self Assessment form

**ATTACHMENT 2:
NARRATIVE**

10.5.a Describe the proposed change.

A. Background

In November 2007, Baystate Medical Center, Inc. ("Holder" or "Hospital") received approval from the Department of Public Health ("Department" or "DPH") for Determination of Need ("DoN") Project # 1-3B36 for new construction of a seven (7)-story addition for the replacement of seventy-eight (78) medical/surgical beds, the addition of eighteen (18) medical/surgical beds and thirty (30) critical care beds, and other ancillary and support service replacements, improvements, and additions. In addition, the original DoN approval authorized the construction of a new building known as the "Hospital of the Future" ("HOF"). As part of a long-term strategic plan, the HOF Building was designed to include shell space that could be built out as required to meet the Hospital's future service needs.

The inclusion of shell space was intended to provide design flexibility that met identified future service and patient needs. The availability of shell space assures the continued modernization of the physical plant and compliance with current construction standards while meeting the Hospital's changing needs. At the time the original DoN was filed, it was contemplated that all shell space would be built out over a 15- to 20-year period as service needs are identified.

Consistent with the original strategic plan for the HOF Building, the original DoN has been amended seven (7) times to date as shell space is built out. Each amendment has allowed the Hospital to meet a distinct, identified service need of the patient panel. These separate projects achieve the goals of the flexible design for the shell space and allow the Hospital to continue to provide high quality health care. The chart below details each amendment to the original DoN Project in addition to the associated changes in the approved gross square feet ("GSF").

Table 1: Changes in Approved GSF						
Filing Type	Approval Date	Approved GSF				
		Total GSF	Reno GSF	New Const GSF (w/o shell)	Shell Space GSF	New Const GSF (w/ shell)
DoN #1-3B36	11/2007	641,250	42,150	303,300	295,800	599,100
Amendment	08/2009	630,504	44,900	303,300	282,304	585,604
Amendment	11/2009	686,086	44,900	303,300	337,886	641,186
Amendment	02/2011	692,276	48,974	381,857	261,445	643,302
Amendment	09/2012	692,276	48,974	461,973	181,329	643,302
Amendment	08/2014	692,276	48,974	475,616	167,686	643,302
Amendment	01/2017	698,634	55,332	486,749	156,553	643,302
Amendment	11/2018	703,560	60,258	509,389	133,913	643,302

With each amendment to the original DoN Project approval, the total maximum capital expenditure ("MCE") changes. These changes were contemplated at the time of the original DoN as it was determined that the Hospital would pursue amendments to build out the approved shell space as separate, identifiable projects as the need arose. The chart below sets forth the changes in the approved MCE associated with each amendment to the original DoN Project.

Table 2: Changes in Approved MCE

Filing Type	Approval Date	Approved MCE	Approved Year \$
DoN #1-3B36	11/2007	\$239,318,527	March 2007
Amendment	08/2009	\$239,318,527	March 2007
Amendment	11/2009	\$239,318,527	March 2007
Amendment	02/2011	\$314,083,474	November 2010
Amendment	09/2012	\$359,423,474	June 2012
Amendment	08/2014	\$366,266,390	April 2014
Amendment	01/2017	\$373,520,390	October 2016
Amendment	11/2018	\$411,125,829	July 2018

Please note that the amendments that did not have a corresponding change in the MCE were technical filings to reconcile the DoN with final architectural plans.

B. Proposed Project

Consistent with the intent of the original DoN Project approval, the Holder now seeks approval of another amendment to build out additional space in its HOF Building. Specifically, the Holder proposes building out 82,254 GSF in the HOF Building to permit: the construction of seventeen (17) operating rooms ("ORs") to replace the same number of ORs currently located in the Daly Building, as well as pre-procedure preparation and post-procedure recovery space; the addition of two (2) interventional procedure rooms; the addition of one (1) computed tomography ("CT") unit; and other construction to accommodate necessary support functions and improve patient experience and wayfinding as follows:

- Expansion of the lobby area to enhance the patient experience with additional seating and registration area;
- Installation of Elevator G to allow for a public connection from the main lobby to the surgical floor below and to the floors above in the North Wing of the HOF Building;
- Installation of additional ventilation equipment, including an air handling unit 11C to allow for low temperature cooling and a chiller, which will occupy space available within the existing mechanical room in the Basement Level of the HOF Building;
- Installation of supplemental cleaning equipment in the Central Sterile Processing Department;
- Installation of plumbing penetrating the floor slab above the surgical floor ceiling related to the anticipated future HOF Building 3rd floor patient floor of the North Wing; and
- Installation of Rooftop Unit 8 to allow for ventilation of the North Wing tower and its future patient floors, which will occupy space available on the roof and shaft space within the HOF Building North Tower.

Collectively, these component projects are the "Proposed Project."

The Proposed Project will increase the total DoN Project GSF to 724,893 GSF. This is the result from the build out of an additional 60,921 GSF of shell space, 5,419 GSF of a new addition, and an additional 15,914 GSF of renovation. The total associated incremental MCE is projected as \$69,881,577 (March 2020 Dollars). This brings the total MCE for the DoN to \$481,007,406 (March 2020 Dollars).

10.5.b Describe the associated cost implications to the Holder.

A. Capital Costs

The Holder requests approval to increase the currently approved MCE. The previous amendment approval authorized an increase of \$37,605,439 (July 2018 Dollars) to the MCE, for a total MCE of \$411,125,829 (July 2018 Dollars). The Holder now requests approval for an additional \$69,881,577 (March 2020 Dollars) in order to implement the Proposed Project described herein.

The requested \$69,881,577 addition to the approved MCE is relatively modest when the scope and nature of the entire DoN Project is considered. It is well within the Holder's financial capability. Moreover, it is consistent with the underlying premise of this DoN approval, which provided for shell space for future expansion and replacement of current hospital facilities when demand is sufficient and as the Holder can reasonably accommodate the capital expenditure.

B. Operational Costs

The incremental operating cost resulting from the Proposed Project is reasonable given the scope of the Proposed Project and the anticipated growth in volume. The increase in operating cost, including the ORs, new interventional rooms, and CT unit is approximately \$37,093,500. This represents an increase of 3% in total operating costs (expense before depreciation and interest) at the Hospital.

The Holder notes that the entire 2nd floor of the HOF Building – which will house the proposed seventeen (17) replacement ORs and two (2) new interventional rooms – is designed to promote more efficient staffing and reduce inefficiencies and redundancies, and that the increase in costs is primarily related to staffing and supplies in the ORs and new interventional rooms associated with the expected increases in volume. With specific regard to the ORs, staffing and supply costs will incrementally increase \$21,657,000 as a result of increases in the number of surgical procedures, just as they would if the Proposed Project were not implemented. There will also be additional staff to cover the new interventional rooms as well as additional supplies associated with these procedures. Total operating costs associated with the new interventional rooms is \$14,827,000. Finally, operating costs associated with the proposed new CT unit are \$609,500 and are attributable to the fact that the new CT unit will require 24/7 staffing as its operations must align with the 24/7 operations of the Emergency Department ("ED"). Incremental net revenue is expected from the anticipated growth in surgical, interventional procedure, and CT volume and will cover these costs with no adverse impact to the Hospital's financial position.

With regard to depreciation and interest, the incremental impact of the additional depreciation expense arising from the Proposed Project is currently estimated at \$6,947,000. While this amounts to a 12% increase in depreciation expense, it represents an increase in overall expenses at the Hospital of only .55%. The increase in interest expense resulting from the new financing is \$3,429,000. While this amounts to a 34% increase in interest expense, it represents an increase in overall expenses at the Hospital of only .27%. Taking depreciation and interest into account, the overall increase in expense related to the Proposed Project is 3.7% of total expense, which is reasonable given the size and scope of the Proposed Project as well as the expected increases in volume and improvements in efficiency.

10.5.c Describe the associated cost implications to the Holder's existing Patient Panel.

The Proposed Project will have no cost implications to the Holder's existing patient panel. The Holder has determined that the proposed capital expenditure is necessary to meet current and projected patient panel demand for surgical services, interventional procedures, and imaging, and to improve patient experience and wayfinding. This determination was based on its master planning process. All pricing for these services will be consistent with current charges.

10.5.d Provide a detailed narrative, comparing the approved project to the proposed Project, and the rationale for such change.

The Proposed Project involves the build out of previously approved shell space in the Hospital's HOF Building. Specifically, the Holder proposes to build out previously approved shell space in the HOF Building to accommodate the following: seventeen (17) replacement ORs and related pre-procedure preparation and post-procedure recovery bays; two (2) new interventional procedure rooms; one (1) new CT unit in the ED; discrete projects to improve patient experience and wayfinding; and increased mechanical, electrical and plumbing infrastructure to support the expanded operation of the HOF Building resulting from the proposed build out of shell space. The proposed changes will allow the Hospital to achieve care efficiencies and better integration, are consistent with the objectives outlined in the Holder's approved DoN and continue to further the programmatic goals set forth in that DoN. The following is a detailed review of the areas of change in the approved DoN Project proposed by this Proposed Project and the GSF, costs, and rationale for each.

A. Need and Rationale for Proposed Project

The Holder designed the HOF Building to have the flexibility necessary to meet the Hospital's evolving service and patient needs. This included shell space, which the Hospital could subsequently build out as future needs were identified. The Holder continues to evaluate service needs at the Hospital as part of its ongoing strategic planning efforts. The Proposed Project is the most recent in a series of ongoing amendments to the original DoN Project intended to accommodate the growing need for the Hospital's services and improvements to its aging physical plant.

1. Need for Replacement of Seventeen (17) ORs

The Holder identified the need to relocate its seventeen (17) existing ORs from the current surgical department in the Daly Building to space on the 2nd floor of the HOF Building based on physical plant and patient panel needs. These needs are discussed in detail below.

a. Physical Plant Needs

Currently, the Hospital's seventeen (17) existing ORs are located in the Hospital's Daly Building. The vast majority of these rooms are between 386-500 GSF each, and due to their size, are not optimally utilized. Moreover, these ORs require updates and modernization as the current facilities have not been renovated in many years and most of the equipment is nearing or at the end of its projected useful lifespan. The current location of these ORs in the Daly Building limits the ability to renovate the space to accommodate changes to address improvements required to such services without losing existing capacity, as it would necessitate the elimination of ORs.

The relocation of the seventeen (17) ORs to the HOF Building is also a key component of the Hospital's long-term Master Facility Plan. The proposed build out of space in the HOF Building to accommodate the relocation of the ORs into one general area, combined with the previously approved heart and vascular ORs and related critical care beds, will be beneficial as it will allow the Hospital to construct space that meets current DPH standards and will provide improved integration and efficiency. By moving the ORs and co-locating them with related functions in the same area, an interdisciplinary approach can be facilitated, and certain service efficiencies and patient conveniences can be achieved. Specifically, co-location of the relocated ORs with the Hospital's heart and vascular services and related inpatient beds is anticipated to lead to

improved communication among physicians, minimized redundancies in the provision of services and resources, more efficient staffing patterns, and improved quality outcomes for patients. Overall, the Proposed Project will allow the Hospital to continue to achieve high quality of care in the delivery of its surgical services in clinically integrated and state-of-the-art facilities.

b. Patient Panel Demand

In addition to the need for improved facilities, the Hospital is experiencing a continued and steady demand for its surgical services that supports the proposed replacement of its seventeen (17) ORs. Surgical services are a critical service of the Hospital based on its broad referral base and role as the only tertiary academic medical center in Western Massachusetts. The following chart illustrates the historical demand based on the affected surgical service lines. As the data shows, demand for these services is relatively stable with certain areas of increasing demand. The volume attributed to inpatient surgeries performed in the Daly Building ORs demonstrates the highest area of demand, with a 4-year growth that exceeds 5%.

Table 3: Historical Surgical Cases				
	FY17 Actual	FY18 Actual	FY19 Actual	FY20 Budget
Seventeen (17) Daly Building ORs to Be Relocated to HOF Building				
Inpatient	7,441	7,563	7,566	7,850
Outpatient	5,081	4,944	4,768	4,905
Combined	12,522	12,507	12,334	12,756
Four (4) Existing HOF Building ORs				
Inpatient	2,244	1,906	2,090	1,919
Outpatient	742	718	691	722
Combined	2,986	2,624	2,781	2,641
Combined				
Inpatient	9,685	9,469	9,656	9,769
Outpatient	5,823	5,662	5,459	5,627
Combined	15,508	15,131	15,115	15,397

Moreover, the Hospital anticipates that demand for surgical services will continue to grow into the future. The following chart illustrates the future year projections for such volume.

Table 4: Projected Surgical Cases					
	FY21	FY22*	FY23	FY24	FY25
Combined					
Inpatient	10,250	10,737	11,225	11,244	11,263
Outpatient	5,932	6,287	6,636	6,659	6,682
Combined	16,182	17,024	17,861	17,903	17,945

*Please note that the relocated ORs will come online in FY22.

This projected demand is based on several facts in addition to its historic trends. First, the Hospital is the only tertiary service provider in Western Massachusetts. It also has a strong and growing network of local affiliated hospitals and providers who refer to it for tertiary services such as those offered in its ORs (e.g., heart and vascular, neurology, oncology, plastics, etc.). Finally, it is located in Springfield, which is the largest city in Western Massachusetts situated at

the nexus of two interstate highways, providing access to the Hospital's services from all parts of Western Massachusetts and some parts of Connecticut. Overall, these historic and projected future utilization trends support the need to replace the ORs that are the subject of this Proposed Project with state-of-the-art facilities.

2. Need for Addition of Two (2) New Interventional Procedure Rooms

The Holder also identified the need to add two (2) new interventional procedure rooms within the HOF Building. These new rooms will be co-located with the ORs and the cardiac catheterization and electrophysiology ("EP") service on the 2nd floor of the HOF Building. This will bring the total number of interventional procedure rooms in the HOF Building to eight (8) rooms, including the six (6) replacement rooms (four (4) cardiac catheterization labs and two (2) EP labs) approved in the previous amendment. One of the new interventional procedure rooms will be dedicated to neurovascular interventions, while the other will be used as overflow for all interventional services. As described in further detail below, the Holder anticipates that the addition of the two (2) new interventional rooms will both accommodate projected growth and provide additional flexibility to facilitate the timely completion of diagnostic and interventional neurovascular, cardiac catheterization, structural heart, and EP procedures.

a. Dedicated Neurovascular Interventional Room

As noted above, the Hospital is the only tertiary academic medical center in Western Massachusetts. As a result, the Hospital performs procedures and services that are not available elsewhere in Western Massachusetts (e.g., percutaneous neurovascular procedures, cardiac surgery, ST-segment elevation myocardial infarction ("STEMI") procedures, structural heart procedures, etc.). For several years, the Hospital's neurovascular procedures (i.e. procedures used to diagnose and treat strokes, aneurysms, vasculitis and other blockages in the arteries in the brain and carotid artery, including but not limited to diagnostic angiograms, angioplasty, insertion of intracranial stents, insertion of carotid stents, thrombectomies, coil embolizations, etc.) have been provided in an existing cardiac catheterization lab, which is equipped with the bi-plane imaging equipment required to perform such procedures. Currently, the Hospital's neurovascular physicians utilize this lab for the neurovascular service 4-5 days per week. This has implications for the Hospital's other services because neurovascular interventions are emergent by nature. As a result, there are times when patients scheduled for diagnostic cardiac catheterization are delayed while long duration neurovascular interventional cases are completed.

The following chart illustrates the historical volume and the future year growth trends for the Hospital's neurovascular service.

Table 5: Historical and Projected Neurovascular Case Volume								
FY17	FY18	FY19	FY20	FY21	FY22*	FY23	FY24	FY25
335	350	198	400	450	475	500	525	550

*Please note that the new dedicated neurovascular interventional room will come online in FY22.

As the chart shows, the Hospital performed 335 and 350 neurovascular cases in FY17 and FY18 respectively. During these years, the Hospital had two physicians performing these types of procedures. In FY19, volume dropped to 198 cases after one of the physicians left the Hospital. However, the Hospital anticipates growth in neurovascular volume into the future as it

has entered into a long-term arrangement for neurointerventional radiology (“NIR”) physician services to meet the needs of the patient population in Western Massachusetts, which is currently underserved in this high-acuity specialty. Two new NIR physicians were added in February 2020 and two additional NIR physicians will join the staff in Fall 2020. This growth in NIR physician services will ensure that the Hospital continues to operate a high-quality Neurovascular Program into the future.

Moreover, the Hospital notes that the projected growth in neurovascular volume is partially attributable to the anticipated increase in the number of patients within the 65+ age cohort in the coming years. To this point, the Hospital notes that statewide population projections provided by the University of Massachusetts Donahue Institute suggest that total population growth in Massachusetts is expected to increase through 2035, and that the 65+ cohort will increase at a rate higher than all other age cohorts such that residents 65+ will represent roughly a quarter of the state’s population by 2035. The growth trend is similar in the Lower Pioneer Valley region where the Hospital is located and where many patients in the Hospital’s panel reside.¹ This increase in older adult patients is significant as the neurovascular interventional procedures offered by the Hospital provide minimally invasive alternatives to open surgical procedures, which is extremely beneficial in connection with a variety of neurovascular conditions that have high incidence rates related to aging. Based on these factors, the Hospital projects that neurovascular volume will grow to approximately 400 cases in FY20 and upwards of 550 cases by FY25 to accommodate unmet demand for services within the Hospital’s service area.

To meet this projected demand and ease the strain on the currently utilized cardiac catheterization lab, the Hospital determined that it requires the addition of one (1) interventional room in the HOF Building that is a dedicated lab for emergent and elective neurovascular interventional procedures. Having a dedicated room equipped for the neurovascular interventional service is paramount to the success of the service. Moreover, this addition will help to ensure the Hospital has the capacity to provide patients with uninterrupted, timely access to neurovascular, cardiac, and EP procedures alike.

b. Flex Interventional Room

The second new interventional room will be a flex room equipped to accommodate overflow neurovascular, EP, and cardiac procedures. The need for this room is two-fold. First, the Joint Commission requires the Hospital, as a Comprehensive Stroke Center, to have the capability to perform two neurovascular interventional cases for acute stroke patients at the same time in an emergency. The addition of this new overflow room, combined with the addition of the dedicated neurointerventional room discussed above, will ensure that the Hospital is equipped to handle these cases as needed and, therefore, is able to meet the Joint Commission requirement.

Moreover, the need for the new flex interventional room is based on patient panel demand. In addition to the neurovascular interventional services discussed above, there are other new interventional cases that currently occur in the EP and cardiac catheterization labs that create the need for additional interventional procedure space. The Holder notes that the growth in these procedures was not anticipated when the previous amendment was filed. These new procedures include EP ablation procedures and structural heart procedures, such as left atrial appendage occlusion (“Watchman”) and transcatheter aortic valve replacement (“TAVR”). For

¹ UNIVERSITY OF MASSACHUSETTS DONAHUE INSTITUTE, LONG-TERM POPULATION PROJECTIONS FOR MASSACHUSETTS REGIONS AND MUNICIPALITIES 11 (Mar. 2015), *available at* http://pep.donahue-institute.org/downloads/2015/new/UMDI_LongTermPopulationProjectionsReport_2015%2004%20_29.pdf.

instance, ablation/Watchman volume has grown approximately 16% from FY17-FY19 (345 cases in FY17; 400 cases in FY2019), and TAVR volume has grown 28% over this same timeframe (186 cases in FY17; 238 cases in FY19).

Such growth is attributable to improvements in technology and changes in clinical indications that have expanded the pool of patients eligible to receive these procedures. For instance, the Watchman – a small implantable device placed into the heart that can reduce the risk of stroke in patients with atrial fibrillation – was originally approved by the Food and Drug Administration for use only in those patients who were deemed suitable for long-term oral anticoagulants (“OACs”) (e.g., Warfarin). However, studies have supported the removal of this restriction, suggesting that the Watchman device implantation is effective and safe in patients with a contraindication to OACs, those with a high risk of bleeding while on OACs therapy, and those who have had major bleeding while using OACs therapy.² Accordingly, the Watchman is now approved for reimbursement by the Centers for Medicare & Medicaid Services and an increasing number of commercial insurers for an expanded number of patients, including those deemed not suitable for long-term OACs. Similarly, though previously only utilized in cases involving patients at intermediate to high surgical risk or who those who were inoperable, TAVR has been explored in recent years as an alternative to open valve replacement surgery in low-risk patients as well.³

In addition to current patient panel demand, the Holder notes that the need for the new flex interventional room is based on anticipated future patient panel demand. The following chart illustrates the combined future year projections for the neurovascular, EP and structural heart interventional procedures for which the flex room will provide overflow coverage.

Table 6: Projected High-Acuity Specialty Interventional Case Volume						
	FY20	FY21	FY22*	FY23	FY24	FY25
Neurovascular Procedures ⁴	400	450	475	500	525	550
Ablations/Watchman	389	480	521	582	582	582
TAVR	300	356	423	450	450	450
Total Volume	1,089	1,286	1,419	1,532	1,557	1,582

*Please note that the new flex interventional room will come online in FY22.

As shown in the chart, neurovascular volume is anticipated to grow to approximately 550 cases by FY25, which represents growth of 37.5% from FY20. The Hospital notes that a procedure room operating during normal business hours (7am-4pm) can accommodate roughly 450 cases at 90% capacity. It is expected that the Hospital will reach that volume of neurovascular cases by FY21. Similarly, the volume of ablation/Watchman and TAVR cases is expected to grow into the future; in FY25, the Hospital projects that volume of ablation/Watchman cases will grow to greater than 580 and volume of TAVR cases will grow to approximately 450. This represents growth of about 50% compared to FY20 numbers in both services.

² David Nehemiah Majule, *The Efficacy and Safety of the WATCHMAN Device in LAA Occlusion in Patients with Non-Valvular Atrial Fibrillation Contraindicated to Oral Anticoagulation: A Focused Review*, 24 ANNALS THORACIC & CARDIOVASCULAR SURGERY 271 (2018), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6300422/>.

³ Nicole Napoli, *TAVR Outperforms Surgery in Younger, Low Risk Patients with AS*, AMERICAN COLLEGE OF RADIOLOGY (Mar. 17 2019), available at <https://www.acc.org/about-acc/press-releases/2019/03/16/20/51/tavr-outperforms-surgery-in-younger-low-risk-patients-with-as>; J. Braghiroli et al., *Transcatheter aortic valve replacement in low risk patients: a review of PARTNER 3 and Evolut low risk trials*, 10 CARDIOVASCULAR DIAGNOSIS & TREATMENT 59 (2020), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7044101/>.

⁴ Please note that these are the same cases as outlined in Table 5 (i.e., not additional volume for the second room).

This strong projected demand is based on several factors. First, the Hospital expects to continue to operate high-quality Heart & Vascular and Neurovascular Programs to serve high-acuity patients requiring these types of interventions. In addition, the newer procedures noted above require significantly more time in the labs. Finally, the Hospital expects that the need for the neurovascular, EP, and cardiac interventional procedures discussed herein will increase with the aging population; such procedures provide minimally invasive alternatives to open surgical procedures, which is valuable in connection with several conditions that have higher incidence rates related to aging.

Overall, these historic and projected future trends support the need for the one (1) new flex interventional room described herein. The addition of the proposed new room is necessary to accommodate the projected overflow of neurovascular, EP and structural heart procedure volume, provide flexibility to care for patients from across the Western Massachusetts region that present at the Hospital in need of these services in a timely manner, and benefit the growing number of older individuals with age-related diseases and illnesses.

3. Need for Addition of One (1) New CT Unit

Finally, the Holder identified the need to add one (1) new CT unit within the HOF Building ED. This will bring the total number of CT units in the HOF Building ED to three (3) units and the total number of CT units on the Hospital's main campus to five (5) units. As described in further detail below, the Holder anticipates that the addition of a third CT unit in the ED will improve access to care for ED patients and admitted inpatients.

a. Historic Patient Panel Demand

The Hospital is the only tertiary academic medical center and the only Level 1 Trauma Center in Western Massachusetts. As a result, the Hospital's ED experiences high demand and a large volume of high-acuity patients. Due to its role in Western Massachusetts, the Hospital performs a high volume of critical (and non-critical) CT scans, which often overwhelms the existing CT units located in the ED.

Historical volume trends indicate that the Hospital requires an additional CT unit in its ED. ED visit volume has grown 2% from FY17-FY19 (114,060 visits in FY17; 116,392 visits in FY19). Over this same timeframe, CT scans in the ED have grown 21% from 35,450 scans in FY17 to 42,901 scans in FY19. Moreover, CT growth on the Hospital's main campus overall has also grown 15% from FY17-19 (54,844 scans in FY17; 63,072 scans in FY19), despite the Hospital's efforts to schedule many non-emergent outpatient scans at its off-campus outpatient site. At present, there is only one non-ED CT unit designated for inpatient use. Accordingly, inpatient cases are frequently diverted to the ED units, due to high inpatient demand and/or the proximity of the ED CT units to critical care areas, adding to the demands on the two (2) existing CT units in the ED. Due in part to such high volume, the Holder notes that a non-critical ED CT scan at the Hospital currently averages two (2) hours from order to completion, although the Hospital's target turnaround is one (1) hour.

Moreover, the Hospital also has seen an increase in the number of CT scans of the heart and circulatory system for both inpatients and ED patients. It is expected that this particular scan volume will grow about 10% per year over the next few years. Cardiac cases take about twice as long as a more routine scan (1 hour versus 30 minutes), as these cases involve decreasing the heart rate and choosing the right phases to perform the exam. Patients also require

medications that are administered in the CT scan area which require more time in the area where the scan is performed.

b. Future Patient Panel Demand

In addition to current demand considerations, it is projected that CT volume will increase at the Hospital over the next few years. The following chart illustrates the future year projections for such volume. In total, the Hospital conservatively projects growth at 5% per year through FY25.

Table 7: Projected CT Demand					
Hospital-Based Volume	FY21	FY22	FY23	FY24	FY25
ED Volume	45,046	47,298	49,663	52,146	54,753
Inpatient Volume	12,563	13,191	13,851	14,544	15,271
Outpatient Volume	8,616	9,047	9,499	9,974	10,473
Total Hospital-Based Volume	66,225	69,536	73,013	76,664	80,497

This continued strong demand is based on several facts. First, the historic drivers noted above will continue to apply into the future. Specifically, the Hospital expects to continue to: operate a high-volume ED with high-acuity patients in need of CT imaging; experience high inpatient demand and therefore utilize its ED CT units for diverted inpatient cases; and see an increase in CT scans of the heart and circulatory system for both inpatients and ED patients (at a rate of about 10% per year over the next few years), which require more time and create capacity issues.

Moreover, the expected growth in the number of projected CT scans into the future is based in part on the expected changes within the Hospital's patient panel. To this point, and similar to the interventional patient panel demand, the Hospital notes that the need for CT is expected to increase as the number of patients within the 65+ age cohort continues to grow. Both statewide and local population projections provided by the University of Massachusetts Donahue Institute suggest that the 65+ cohort will increase at a rate higher than all other age cohorts over the next 10-15 years, such that residents that are 65+ will represent roughly a quarter of the state's population by 2035. This increase in older adult patients is significant as CT is extremely beneficial in connection with a variety of conditions that have higher incidence rates related to aging.

Overall, these historic and projected future trends support the need for the new ED CT unit that is the subject of this Proposed Project. The addition of the new ED CT unit will help to meet the needs of ED and inpatients that present at the Hospital in a more timely manner. Moreover, the unit will benefit the growing number of older individuals with age-related diseases and illnesses. Finally, with the addition of a third CT unit in the ED, the Hospital will be able to reduce the time of physician order to scan completed closer to its goal of one (1) hour, which will enable providers to diagnose and treat patients more quickly and will thereby reduce ED length of stay and the ED walk-out rate which for FY19 was approximately 9%. In sum, through the Proposed Project, the Hospital will be able to sustain its ability to provide timely access to CT services into the future.

c. Proposed CT Technology

Based on the above-outlined patient need, the Hospital proposes to acquire a dual-energy, or spectral, CT unit, which is a new technology for the Hospital. Dual energy CT or spectral CT has several unique advantages that can be particularly useful in the ED. There is wider clinical use of these high-tech units and more indications are likely to be developed in the future. For example, a dual energy CT offers the following enhanced findings and uses, among others: (1) a lower dose of IV contrast can be used with the proposed unit, reducing the risk of renal toxicity, and improved safety for pediatric patients; (2) MRI scan may be avoided for some types of fractures such as hip fractures; (3) avoidance of a second scan to confirm solid masses in the liver and kidneys; (4) metallic artifacts associated with implants and orthopedic hardware can be almost eliminated; and (5) improved quality of cardiac exams, and increasing utility for coronary CT in triage of patients with acute chest pain.

B. Changes to Approved GSF

The Proposed Project will result in an increase in the approved GSF for the DoN Project. The following chart summarizes the GSF impact of all amendments, including the proposed GSF impact of this Proposed Project. As illustrated in the chart, approval of the Proposed Project will increase the total GSF for the DoN Project to 724,893 GSF. The total GSF for renovation will increase to 76,172 GSF, while the new construction GSF will increase to 575,729 GSF. The shell space GSF will decrease to 72,992 GSF to reflect the space remaining following this fit out.

Table 8: Proposed Change to GSF						
Filing Type	Approval Date	Approved GSF				
		Total GSF	Reno GSF	New Const GSF (w/o shell)	Shell Space GSF	New Const GSF (w/ shell)
DoN #1-3B36	11/2007	641,250	42,150	303,300	295,800	599,100
Amendment	08/2009	630,504	44,900	303,300	282,304	585,604
Amendment	11/2009	686,086	44,900	303,300	337,886	641,186
Amendment	02/2011	692,276	48,974	381,857	261,445	643,302
Amendment	09/2012	692,276	48,974	461,973	181,329	643,302
Amendment	08/2014	692,276	48,974	475,616	167,686	643,302
Amendment	01/2017	698,634	55,332	486,749	156,553	643,302
Amendment	11/2018	703,560	60,258	509,389	133,913	643,302
Proposed	—	724,893	76,172	575,729	72,992	648,721

C. Changes to Approved MCE

The Holder seeks the Department's approval for an increase to the currently approved MCE for the DoN Project. As noted above in section 10.5.b, the currently approved MCE is \$411,125,829 (July 2018 Dollars). In order to accommodate the requested changes to the scope of the DoN Project, the Holder now requests approval for an additional \$69,881,577 (March 2020 Dollars), for a new MCE of \$481,007,406 (March 2020 Dollars). The chart below details the requested additional capital expenditure by DoN categories of expenditure.

Table 9: Requested Additional Capital Expenditure			
Category of Expenditure	Requested New Construction (3/20 \$)	Requested Renovation (3/20 \$)	Total Additional MCE
Land Costs			
Land Acquisition Cost	0	0	0
Site Survey and Soil Investigation	0	0	0
Other Non-Depreciable Land Development	0	0	0
Total Land Costs	0	0	0
Construction Costs			
Depreciable Land Development Cost	0	0	0
Building Acquisition Cost	0	0	0
Construction Contract (including bonding)	\$47,594,353	\$10,553,909	\$58,148,262
Fixed Equipment Not in Contract	\$950,000	0	\$950,000
Architectural Cost and Engineering Cost	\$3,348,405	\$742,499	\$4,090,904
Pre-filing Planning and Development Costs	0	0	0
Post-filing Planning and Development Costs	\$36,833	\$8,167	\$45,000
Other: _____	0	0	0
Net Interest Expensed During Construction	\$4,412,433	\$960,544	\$5,372,977
Major Movable Equipment	0	0	0
Total Construction Costs	\$56,342,024	\$12,265,119	\$68,607,143
Financing Costs			
Costs of Securing Financing	\$1,046,599	\$227,835	\$1,274,434
Total Financing Costs	\$1,046,599	\$227,835	\$1,274,434
Total	\$57,388,623	\$12,492,954	\$69,881,577

The proposed capital expenditure is within the Holder's financial capability and is more cost-effective than if the Holder renovated the current outdated space and associated facilities, which are undersized and inadequate under current standards. Finally, these costs are consistent with the underlying premise of this DoN approval, which provided for shell space for future replacement and expansion of existing facilities based on demand and as the Holder can reasonably accommodate the capital expenditure.

**ATTACHMENT 3:
CHANGE IN SERVICE FORM**



Massachusetts Department of Public Health

Determination of Need

Change in Service

Version: DRAFT
6-14-17

DRAFT

Application Number: BH-20062607-AM

Original Application Date: 03/30/2007

Applicant Information

Applicant Name: Baystate Health, Inc.

Contact Person: Andrew Levine Title: Attorney, Barrett & Singal, PC

Phone: 6175986700 Ext: E-mail: alevine@barrettsingal.com

Facility: Complete the tables below for each facility listed in the Application Form

1 Facility Name: Baystate Medical Center CMS Number: 220077 Facility type: Hospital

Change in Service

2.2 Complete the chart below with existing and planned service changes. Add additional services with in each grouping if applicable.

Add/Del Rows		Licensed Beds	Operating Beds	Change in Number of Beds (+/-)		Number of Beds After Project Completion (calculated)		Patient Days (Current/ Actual)	Patient Days Projected	Occupancy rate for Operating Beds		Average Length of Stay (Days)	Number of Discharges	Number of Discharges
		Existing	Existing	Licensed	Operating	Licensed	Operating			Current Beds	Projected	(Days)	Actual	Projected
	Acute													
	Medical/Surgical									0%	0%			
	Obstetrics (Maternity)									0%	0%			
	Pediatrics									0%	0%			
	Neonatal Intensive Care									0%	0%			
	ICU/CCU/SICU									0%	0%			
+										0%	0%			
-										0%	0%			
	Total Acute									0%	0%			
	Acute Rehabilitation									0%	0%			
+										0%	0%			
-										0%	0%			
	Total Rehabilitation									0%	0%			
	Acute Psychiatric													

Add/Del Rows		Licensed Beds	Operating Beds	Change in Number of Beds (+/-)		Number of Beds After Project Completion (calculated)		Patient Days (Current/ Actual)	Patient Days Projected	Occupancy rate for Operating Beds		Average Length of Stay (Days)	Number of Discharges Actual	Number of Discharges Projected
		Existing	Existing	Licensed	Operating	Licensed	Operating			Current Beds	Projected			
	Adult									0%	0%			
	Adolescent									0%	0%			
	Pediatric									0%	0%			
	Geriatric									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Acute Psychiatric									0%	0%			
	Chronic Disease									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Chronic Disease									0%	0%			
	Substance Abuse													
	detoxification									0%	0%			
	short-term intensive									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Substance Abuse									0%	0%			
	Skilled Nursing Facility													
	Level II									0%	0%			
	Level III									0%	0%			
	Level IV									0%	0%			
<input type="checkbox"/> + <input type="checkbox"/> -										0%	0%			
	Total Skilled Nursing									0%	0%			

2.3 Complete the chart below If there are changes other than those listed in table above.

Add/Del Rows	List other services if Changing e.g. OR, MRI, etc	Existing Number of Units	Change in Number +/-	Proposed Number of Units	Existing Volume	Proposed Volume
<input type="checkbox"/> + <input type="checkbox"/> -	OR (Units = # of ORs; Volume = # of surgical cases)	47	0	47	32,493	38,471
<input type="checkbox"/> + <input type="checkbox"/> -	Interventional Procedure Room (Units = # of interventional procedure rooms; Volume = # of interventional cases)	8	2	10	8,892	10,003
<input type="checkbox"/> + <input type="checkbox"/> -	CT (Units = # of CT Units; Volume = # of scans)	6	1	7	72,580	92,633

Document Ready for Filing

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Edit document then lock file and submit Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the"E-mail submission to Determination of Need" button.

This document is ready to file:

☒

Date/time Stamp: 06/26/2020 8:29 am

E-mail submission to
Determination of Need

* Please note that the information provided above is representative of the ORs, interventional procedure rooms and CT units for all of the BMC license and the volumes associated with these rooms/units. Accordingly, this Change in Service Form provides a more expansive view than that provided in the Determination of Need narrative, which focuses more narrowly on the ORs, interventional procedure rooms and CT units that are relevant to the Proposed Project.

** Please note that the CT unit information provided above is not inclusive of the CT units located at BMC's D'Amour Center for Cancer Care as these units are used only for treatment planning and simulations specific to radiation therapy and are not available or used for diagnostic purposes.

**ATTACHMENT 4:
NOTICE OF INTENT**

People

CONTINUED FROM PAGE B2

ed the organization for four years, during which its food pantry expanded as well as its fundraising, an outdoor play area was expanded for its children's programs and English as second language classes broadened.

McClintock's responsibilities at WNEU have included overseeing America Reads, a federal work study program designed to train undergraduates to tutor elementary students in the Springfield Public School system, and founding and managing WNEU's on-campus food pantry, the BEAR Necessities Market.

She was introduced to Gray House in 2018 during the WNEU's annual "Make a Difference Weekend," where she led a group of student volunteers to assist with food distribution and yard maintenance.

Liberti announced earlier this year that she and her husband were moving to Charlotte, North Carolina, for her husband's work.

"We are grateful to Teresa for achieving financial stability for the agency, improving service delivery and accountability and expanding our reach," said Kathleen Lingenberg, board president, in a statement.

"We are thrilled to have Kristen leading the agency in continuing and strengthening those efforts and know that her experience and passion will make her an invaluable asset to The Gray House and our community."



THOMAS LANDERS
Board of Directors

Landers is a West Springfield resident who is principal at Longmeadow High School. He has been an educator for 28 years, both in the Longmeadow and Chicopee school systems.

Married and the father of three sons, he is also active in the West Springfield Youth Soccer Club, one of the ICC's affiliate organizations, and has been an active patron with the ICC since the organization moved to the city in 2017. The ICC was founded in 1999.

As an Irish American raised to honor his heritage, he said he is happy to serve on the ICC and looks forward to participating on the board.

"I am thrilled to be a member of the board at the Irish Cultural Center," Landers said. "As a person of Irish heritage and a resident of West Springfield, I was elated to learn that the ICC was relocating to Morgan Road three years ago, and I have marveled at the work and speed with which it has grown and developed."

ICC Board President Sean Cahillane said Landers is a welcome addition to the board in the organization's 21st year of existence.

"Tom is a great addition to our board and our organization," Cahillane said. "He's not only involved with the Youth Soccer Club, which uses our fields as one of our affiliate groups, he's a professional asset as an educator and a leader in our community. We welcome him with open arms."

Landers sits on the ICC's Development Committee and the Buildings and Grounds Committee.



COMMENTARY



JUMA CRAWFORD | BOSTON BUSINESS JOURNAL

What American Dream? Let's aim for a Community Dream

MAKE NO MISTAKE, this is our country and it always has been. At the Lewis Family Foundation, we believe in uncovering and confronting brutal truths. We are not surprised by the murder, brutalization, and racial terror inflicted on black bodies by law enforcement and private white citizens in cities across America this month. Nor are we shocked by the subsequent violent uprisings as a result of the injustices and systemic inequities that have been pervasive throughout black communities for centuries now. We are angry but not surprised.

What does it mean to have a country that is explicit in its brutality and oppression and complicit in infusing through extreme marginalization a sense of hopelessness in an entire race of people? More importantly, what does it mean to come from generations of men and women who were forced to come to this country with no hope? The brutal truth is the "American Dream" has never and will never apply to black people whose bloodlines are tied to the legacy of enslaved men, women and children who were kidnapped and brought to this country against their will and subsequently raped, tortured and traded as chattel property.

As philanthropic, business, nonprofit, and school leaders we must start to build another type of dream for the marginalized communities, neighborhoods, and people we care so deeply about and love. The words "American Dream" should be stricken from our vocabulary and instead we must start to build and create a "Community Dream," where all people have equal access to opportunity—one city and one neighborhood at a time.

As a foundation we are committed to building this new type of dream, a Community Dream; a dream that starts now, with leadership and is tied to action and investment in leaders and young people of color who are on the frontlines of the fight for real change.

As a foundation we are committed to building this new type of dream, a Community Dream; a dream that starts now, with leadership and is tied to action and investment in leaders and young people of color who are on the frontlines of the fight for real change.

In order to support this Community Dream, The Lewis Family Foundation will continue to:

Focus on leadership and invest in the next generation of community leaders of color through our Strong Leaders Program. Leaders like: Thabiti Brown, Yi Chin-Chen, Leroy Peebles, Hermese Velasquez, Shawn Brown, Roxanne Longoria, Alexandra Auguste, Tha Thai, Jaykvi Simpson, Greg Hill, Frank Coleman, Elizabeth Pimentel, Charlene Luma, Glenn Williams, Marvin Loiseau, and Melisa Canu. Stay proximate to and invest in the neighborhoods of Roxbury, Dorchester, and Mattapan—where 69% of

black residents in Boston live. Economically empower young people from these neighborhoods by ensuring that they are graduating from college and have access to competitive wage jobs.

As a foundation, we are emboldened more than ever to support our communities and our young people. We will never master the skill of lying to ourselves about this country and the pain that exists within our communities. Black and indigenous people have never had the privilege of believing in the American Dream. Now is the time to create another type of dream. This is our country.

Juma Crawford is president of the Lewis Family Foundation in Boston.

BOSTON

Fed dramatically expands access to program's funds

By Andy Mancini
Boston Business Journal

The Federal Reserve Board is dramatically expanding who can access its \$500 billion local government debt facility to include some airports, public transit systems, toll systems and utilities.

The changes, in the form of new guidance published Wednesday after the board voted unanimously to expand the program, would allow governors of each state to designate two issuers in their jurisdictions to take advantage of the program, which is able to purchase debt.

The resulting cash could then be used by cash-strapped local governments to fund their activities amid the economic damage caused by the spread of COVID-19.

The new guidance gives governors leeway in which entities they can designate to be eligible as long as they are "jurisdictions whose revenues are generally derived from operating government activities (such as public transit, airports, toll facilities, and utilities) to be eligible to directly use the facility."

Previously this Municipal Liquidity Facility, funded in part through \$35 billion from the CARES Act signed into law March 27, was open to all states, Washington, D.C., cities with a population of more than 1 million residents and counties with a population of 2 million or more residents—creating a limited pool of potential borrowers.

The intent was to help maintain lending to governments even as economic shutdowns blew holes in budgets across the country.

The new guidance allows states to have at least two city or county governments qualify regardless of size and lowers the population

The Municipal Liquidity Facility is just one of several programs the Fed set up in response to the economic fallout of the novel coronavirus and the passage the CARES Act.

thresholds to cities with a population of 250,000 or more or a county of more than 500,000 residents.

"By ensuring the smooth functioning of the municipal securities market, particularly in times of strain, the Federal Reserve is providing credit that will support families, businesses, and jobs in communities, large and small, across the nation," the Federal Reserve said in its guidance regarding the program.

The Municipal Liquidity Facility is just one of several programs the Fed set up in response to the economic fallout of the novel coronavirus and the passage the CARES Act, which provided \$454 billion to the organization.

What followed was \$2.3 trillion in programs designed to help businesses of various sizes, including a debt facility for the PPP to help banks lend more under the program, the Main Street Lending Program, to lend to larger businesses directly and yet another program to buy corporate debt from large companies.

Together, the package of programs and loan facilities add up to the Federal Reserve's largest-ever stimulus effort—at least in absolute dollars—including during the financial crisis and resulting Great Recession.

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Public Announcement Concerning a Proposed Health Care Project

Baystate Health, Inc. ("Applicant") located at 759 Chestnut Street, Springfield, MA 01199 intends to file a request with the Massachusetts Department of Public Health for a Significant Change ("Application") by Baystate Medical Center ("BMC"), a licensed hospital located at 759 Chestnut Street, Springfield, MA 01199, with respect to BMC's previously issued Determination of Need ("DoN") Project #1-3836. The previously issued DoN, as amended, approved new construction of a seven (7)-story addition at BMC that included replacement medical/surgical beds, additional medical/surgical and critical care beds, and other support services, as well as shell space for future build out by BMC. The Applicant now requests approval to build out 60,521 gross square feet ("GSF") of shell space, 5,419 GSF of a new addition, and an additional 15,914 GSF of renovation to permit the construction of seventeen (17) operating rooms to replace the same number of operating rooms currently located in BMC's Daly Building, the addition of two (2) new interventional procedure rooms; the addition of one (1) CT unit and other construction to improve patient workflow. The costs associated with the Application will increase the total value of the Project based on maximum capital expenditure ("MCE") by \$69,881,577, for a total MCE of \$481,007,466 (March 2020 Dollars). The Applicant does not anticipate any price or service impacts on the Applicant's existing Patient Panel as a result of the requested change.

B4 | MONDAY, JUNE 8, 2020

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LONDON

Anti-racism protesters rally around world

By **PAN PYLAS, FRANK JORDANS AND JOHN LEICESTER**
Associated Press

Thousands of people took to the streets of European cities yesterday to show their support for the Black Lives Matter movement, with protesters in the English port of Bristol venting their anger at the country's colonial history by toppling a statue of a 17th-century slave trader.

Demonstrations attached ropes to the statue of Edward Colston before pulling it down to cheers and roars of approval from the crowd.

Images on social media show protesters appearing to kneel on the statue's neck, recalling the death of George Floyd in Minnesota on May 25 that has sparked worldwide protests against racism and police violence.

Floyd, a black man, died after a white Minneapolis police officer pressed a knee on his neck even after he pleaded for air while lying handcuffed on the ground. The statue met with a watery end as it was eventually rolled into the city's harbor.

It wasn't the only statue targeted yesterday. In Brussels, protesters clambered onto the statue of former King Leopold II and chanted "reparations," according to video posted on social media. The word "shame" was also graffitied on the monument, reference perhaps to the fact that Leopold is said to have reigned over the mass death of 10 million Congolese.

Protesters also defaced the statue of former British Prime Minister Winston Churchill in central London, crossing out his last name and spray painting "was a racist" underneath. They also taped a Black

Lives Matter sign around its mid-section.

The day's demonstration in London had begun around the U.S. Embassy, where thousands congregated — most it seemed wearing masks against the coronavirus — to protest Floyd's brutal death and to shine a light on racial inequalities at home.

"Everyone knows that this represents more than just George Floyd, more than just America, but racism all around the world," said Darcy Bourne, a London-based student.

The protests were mainly peaceful but for the second day running there were some scuffles near the offices of Prime Minister Boris Johnson. Objects were thrown at police. Police have sent reinforcements and calm appears to have been restored.

Protesters also threw objects at police down the road outside the gates of Parliament, where officers without riot gear formed a line. They were reinforced by riot police who quickly ran toward the scene.

London Mayor Sadiq Khan said violence was "simply not acceptable" and urged those protesting to do so lawfully while also maintaining social distancing by remaining 6.5 feet apart. But most demonstrators didn't heed that call, particularly in front of the U.S. Embassy.

Police said 14 officers were injured Saturday during clashes with protesters in central London that followed a large peaceful demonstration that had been attended by tens of thousands.

Hundreds of people also formed a densely packed crowd yesterday in a square in central Manchester.



Rudy Horvath hands a piece of wood up to his wife Dawn Horvath yesterday at their home, a boathouse in the West End section of New Orleans, taken on water from a storm surge in Lake Pontchartrain, in advance of Tropical Storm Cristobal. (Gerald Herbert / Associated Press)

NEW ORLEANS

Tropical storm makes landfall

By **GERALD HERBERT AND KEVIN MCGILL**
Associated Press

Tropical Storm Cristobal made landfall on the Louisiana coast yesterday, packing 50 mph winds and spinning dangerous weather as far east as northern Florida, where it spawned a tornado that uprooted trees and downed power lines.

The lopsided storm moved ashore between the mouth of the Mississippi River and the barrier island resort community of Grand Isle, which had been evacuated a day earlier.

Residents of waterside communities outside the New Orleans levee system — bounded by Lakes Pontchartrain and Borgne — were urged to evacuate yesterday afternoon because of their vulnerability to an expected storm surge.

Water covered the only road to Grand Isle by yesterday. It was a similar story in low-lying parts of Plaquemine Parish at the state's southeastern tip, said shrimpier Acy Cooper. "You can't go down there by car,"

he said Sunday of one marina in the area. "You have to go by boat."

Cristobal packed top sustained winds of 50 miles per hour (85 kph) winds nearing the coast but was not expected to reach hurricane strength. Forecasters warned, however, that the storm would affect a wide area stretching roughly 180 miles.

Sen. John Kennedy said in a news release that President Donald Trump agreed to issue an emergency declaration for Louisiana as the storm approached the coast. Gov. John Bel Edwards had issued a state emergency declaration Thursday.

In Florida, a tornado — the second in two days in the state as the storm approached — touched down about 3:35 p.m. south of Lake City near Interstate 75, said meteorologist Kirsten Chaney in the weather service's Jacksonville office. There were no immediate reports of injuries. The storm splintered and uprooted trees and downed power lines.

Tobacco

CONTINUED FROM PAGE B2

ated source will be Canadian First Nations reservation cigarette manufacturers, who are rather robust."

Though much of the input came from people or groups opposed to the law, Marc Hymovitz of the American Cancer Society Cancer Action Network asked that the task force keep public health front and center as it considers the best ways to enforce the law.

"While efforts to circumvent tobacco laws may have an economic impact — and we've heard about some of that today — every tobacco product has a public health impact and, in turn, that has an economic impact," he said. "In fact, Massachusetts still spends over \$4 billion a year in tobacco-related health care costs and those are costs that every Massachusetts resident is bearing the burden of. That is the lost revenue that we should all consider and all focus on."

Rich Marianos, who served 27 years at the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, told the task force that the illegal tobacco trade along Interstate 95 on the East Coast is a \$10 billion industry that is already working to fill the void created by Massachusetts' new law.

"We know from history in the United States that prohibitions create a tremendous amount of crime, problems and issues that affect us financially, fiscally and in terms of problems within the community," he said.

In a letter sent last month to the Massachusetts Chiefs of Police Association and Massachusetts Major City Chiefs of Police, Marianos said Massachusetts is among the top five states for illicit tobacco imports and that neighboring New Hampshire is the second leading exporter of illicit tobacco in the country.

Marianos, who told a Boston rally last fall that he "work[s] with manufacturers because I believe in them" and said

in testimony to the Kansas Legislature that he works as a consultant to a subsidiary of tobacco company Reynolds American Inc., told the task force Wednesday that the proximity to New Hampshire provides an opportunity to organized crime.

"If I'm a bad guy and I go to New Hampshire and I fill up carloads of menthol cigarettes and I bring them to Massachusetts to sell ... I can make \$10,000 in profit," he said. "And this is being done all day long by organized crime, by gangs, by narco traffickers, and even terrorists. This is a lucrative criminal business."

In its most recent annual report, filed in February, the Illegal Tobacco Task Force concluded that "the problem of illegal tobacco smuggling is widespread and requires meaningful policy action at the state level to effectively control and ultimately defeat it."

The most direct calls for the law to be overturned came from Ken Williams, a retired Brockton homicide detective, and Michael LaFaive, senior director of fiscal policy at the Michigan-based Mackinac Center for Public Policy.

"Petition the state to repeal this ban on menthol cigarettes, at a minimum, and pivot efforts towards proven prevention and cessation programs. The best way to counter smuggling is to dry up the market for it," LaFaive said.

During the hearing, task force co-chair Marikae Tope reminded commenters that the task force understands its enforcement responsibilities and that it was looking for "a path forward" to best enforce the law rather than debate its merits.

Hymovitz also pointed out that many of the arguments against the law itself were made as the Legislature was considering the restrictions last fall.

"And thankfully, all the facts were looked at, all the parties were heard from and the public health benefits won out in the end," he said.

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Public Announcement Concerning a Proposed Health Care Project

Baystate Health, Inc. ("Applicant") located at 750 Chestnut Street, Springfield, MA 01105 intends to file a request with the Massachusetts Department of Public Health for a Significant Change ("Application") by Baystate Medical Center ("BMC") to General Hospital located at 750 Chestnut Street, Springfield, MA 01105, with respect to BMC's previously issued Determination of Need ("DON") dated 11/28/18. The previously issued DON, as amended, approved new construction of a seven (7)-story addition at BMC that included replacement medical/surgical beds, additional medical/surgical and critical care beds, and other support services, as well as shell space for future build-out by BMC. The Applicant now requests approval to build out 50,000 square feet ("SF") of shell space for future build-out by BMC. The addition of this new addition, and an additional 15,000 SF of renovation to permit the addition of new medical/surgical beds, will increase the total number of operating rooms currently located in BMC's Day Building. The addition of new (2) new observational procedure rooms, the addition of new (2) CT unit, and other construction to improve patient workflow. The costs associated with the Application will increase the total value of the Project based on maximum capital expenditure ("MCE") by \$50,000,000 for a total MCE of \$481,007,400 (March 2020 Dollars). The Applicant does not intend to file for service of process on the Applicant's existing Patient Panel as a result of this requested change. (June 8)

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I, the undersigned, hereby certify under the pains and penalties of perjury, that I am employed by the publishers of the *Springfield Republican* and the following Public/Legal announcement was published in two sections of the newspaper on June 8, 2020 accordingly:

- 1) "Public Announcement Concerning a Proposed Health Care Project" page B4, Legal Notice Section.
- 2) "Public Announcement Concerning a Proposed Health Care Project" page B3, Business Monday Section.

Tiera Wright
Signature

Tiera Wright
Name

National Account Executive
Title

ATTACHMENT 5:
COPIES OF DOCUMENTS RELATED TO APPROVED DON AND
PRIOR AMENDMENTS

**ATTACHMENT 5A:
STAFF SUMMARY AND ORIGINAL DECISION LETTER FOR
APPROVED DON**



The Commonwealth of Massachusetts

Executive Office of Health and Human Services

Department of Public Health

Determination of Need Program

2 Boylston Street, Boston, MA 02116

(617) 753-7340

FAX (617) 753-7349

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD
SECRETARY

JOHN AUERBACH
COMMISSIONER

November 27, 2007

CERTIFIED MAIL

RETURNED RECEIPT REQUESTED

NOTICE OF DETERMINATION OF NEED

RE: Project No. 1-3B36

Baystate Medical Center, Inc.

(New construction and addition of 48 beds)

Andrew S. Levine

Attorney

Donoghue, Barrett & Singal, P.C.

One Beacon Street, Suite 1320

Boston, MA 02108

Dear Mr. Levine:

At their meeting of November 14, 2007 the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c.111, §25C and the regulations adopted thereunder, to approve with conditions the application filed by Baystate Medical Center, Inc. ("Baystate") for a substantial capital expenditure. The project, as approved, provides for construction of a new seven story addition to the existing hospital facility, addition of 30 critical care beds, 18 adult medical/surgical beds, new heart and vascular procedure rooms and clinical support space, and replacement of 78 adult medical/surgical beds. This Notice of Determination of Need incorporates by reference the Staff Summary dated November 14, 2007.

The approved gross square footage ("GSF") associated with this project is 599,100 gross square feet ("GSF") of new construction, of which 295,800 GSF will be constructed as shell space, and 42,150 GSF of renovations to existing space. The shell space shall be built out in the future as a replacement for existing hospital facilities. Prior to undertaking the build-out of the shell space for clinical purposes, Baystate shall apply to the DoN Program Director for an amendment to its approved DoN as required by Section 105 CMR 100.756 of the DoN Regulations.

The approved maximum capital expenditure ("MCE") is \$239,318,527 (March 2007 dollars), itemized as follows:

	New Construction	Renovation	Total
Site Survey and Soil Investigation	\$ 40,000		\$ 40,000
Other Non-Depreciable Land Development Cost	1,889,380		1,889,380
Depreciable Land Development Cost	2,789,872		2,789,872
Construction Contract (including bonding cost)	153,307,534	843,000	154,150,534
Fixed Equipment Not in Contract	2,433,894		2,433,894
Architectural and Engineering Cost	12,608,736	67,707	12,676,443
Pre-filing Planning & Development Costs	625,001	2,299	627,300
Post-filing Planning & Development Costs	2,925,086	4,914	2,930,000
Other: Other Construction, IS, signage, furniture, artwork, builder's risk, DoN fee, DPH fee, contingency	26,221,850	77,880	26,299,730
Net Interest Expense During Construction	9,471,000	0	9,471,000
Major Movable equipment	23,010,374	0	23,010,374
Cost of Securing Financing	<u>2,987,359</u>	<u>12,641</u>	<u>3,000,000</u>
Estimated Total Capital Expenditure	\$238,310,086	\$1,008,441	\$239,318,527

The approved MCE incorporates the proposed financing of \$200,000,000 of the approved MCE of \$239,318,527 (March 2007 dollars) through an issuance of tax exempt bonds through the Massachusetts Health and Educational Facilities Authority.

The approved incremental operating cost for the project's first full year (FY 2013) of operation is \$72,502,095 (March 2007 dollars), itemized as follows:

Salaries, Wages and Fringe Benefits	\$22,618,197
Purchased Services	926,991
Supplies and Other Expenses	27,627,001
Depreciation	9,598,566
Interest	10,000,000
Pension	<u>1,731,340</u>
Total Operating Expenses	\$72,502,095

The approved incremental operating cost includes the addition of 338.3 full time equivalent ("FTE") staff positions, itemized as follows:

Physicians, Interns, and Residents	14.6
RN's and LPN's	119.4
Technical and Specialist	100.5
Other	<u>103.8</u>
	338.3

All operating costs are subject to review and approval by the Division of Health Care Finance and Policy and third party payers according to their policies and procedures.

The reasons for this approval with conditions are as follows:

1. Baystate has filed a Determination of Need ("DoN") application to undertake a substantial facilities expansion at its main campus located at 759 Chestnut Street, Springfield, MA 01199. The project involves construction of a seven story addition to the existing hospital encompassing 599,100 gross square feet ("GSF") of new construction and 42,150 GSF of renovations. The project scope includes the addition 18 adult medical/surgical and 30 adult critical care beds to Baystate's licensed bed capacity, replacement of 78 existing adult medical/surgical beds, replacement and expansion of heart and vascular procedure areas, renovation of space vacated and reused for administrative and other non-clinical support functions, and construction of

295,800 GSF of shell space capable of accommodating up to 158 replacement beds, a surgical suite, emergency department, radiology and imaging services, and other clinical and support services.

2. Baystate has engaged in a very satisfactory health planning process.
3. An increase of 48 beds to Baystate's licensed adult medical/surgical bed capacity is reasonable.
4. The project meets the health care requirements of the DoN Regulations.
5. The project, with adherence to a certain condition, meets the operational objectives requirements of the DoN Regulations.
6. The project, with adherence to a certain condition, meets the compliance standards of the DoN Regulations.
7. The proposed maximum capital expenditure of \$239,318,527 (March 2007 dollars) is reasonable compared to similar, previously approved projects.
8. The proposed incremental operating costs of \$72,502,095 (March 2007 dollars) are reasonable compared to similar, previously approved projects.
9. The project is financially feasible and within the financial capability of the Applicant.
10. The project is superior to other potential alternatives for achieving the Applicant's objectives.
11. The proposed community health initiatives, with adherence to a certain condition, are in conformance with Factor 9 of the DoN Regulations.
12. The New North Citizens Council Ten Taxpayer Group submitted written comments in support of the proposed project.
13. The Sisters of Providence Health System Ten Taxpayer Group submitted written comments in opposition to the proposed project.

This Determination is effective upon receipt of this Notice. The Determination is subject to the conditions set forth in Determination of Need Regulation 105 CMR 100.551, including sections 100.551 (C) and (D) which read in part:

(C) ...such determination shall be valid authorization only for the project for which made and only for the total capital expenditure approved.

(D) The determination...shall be valid authorization for three years. If substantial and continuing progress toward completion is not made during the three year authorization period, the authorization shall expire if not extended by the Department for good cause shown (see 105 CMR 100.756).... Within the period of authorization, the holder shall make substantial and continuing progress toward completion, however, no construction may begin until the holder has received final plan approval in writing from the Division of Health Care Quality.

This Determination is subject to the following conditions, in addition to the terms and conditions set forth in 105 CMR 100.551. Failure of the applicant to comply with the conditions may result in Department sanctions, including possible fines and/or revocation of the DoN.

1. Baystate shall accept the maximum capital expenditure of \$239,318,527 (March 2007 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.

2. Baystate shall contribute \$39,318,527 (March, 2007 dollars), or 16.4% in equity of the final approved maximum capital expenditure.

3. Baystate shall enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services:

- (a) Policies and procedures that are consistent across all affiliated hospitals and clinical sites operating under the license of Bay State Medical Center;
- (b) Policies and procedures that discourage the use of family members/friends as interpreters;
- (c) Translation procedures and guidance for developing timely, accurate, competent, and culturally appropriate patient educational materials and forms;
- (d) Signage posted at all points of contact and public points of entry informing patients of the availability of interpreter services at no charge;
- (e) Ongoing training for all hospital staff on the appropriate use of interpreter services, inclusive of telephonic services;
- (f) Inclusion of the Interpreter Services Manager in all decisions that impact people with LEP; and
- (g) Adherence to recommended National Standards for Culturally and Linguistically Appropriate Services ("CLAS") in Health Care (materials available online at <http://www.omhrc.gov/templates/browse.aspx?lvl=2&lvlID=15>).

In addition, Baystate shall submit the following items to OMH:

- (h) Annual language needs assessment external and internal sources of data;
- (i) Plan for the inclusion of LEP patients in all satisfaction surveys;
- (j) Plan for how it will use the data collected on race and ethnicity to address racial and ethnic health disparities;
- (k) Plan for outreach to LEP community members and agencies identified in its service area informing them of the availability and provision of interpreter services at no cost;
- (l) Plan for improvement addressing the above within 60 days of DoN's approval to the Office of Multicultural Health;
- (m) Annual Progress Reports to the Office of Multicultural Health 45 days after the end of the federal fiscal year; and
- (n) Notification to OMH of any substantial changes to its Interpreter Services Program.

4. Baystate shall provide a total of \$9,600,000 over a seven (7) year period or \$1,371,428 per year, with payment beginning within thirty (30) days following DoN approval to fund the following community health service initiatives:

- (a) Frances Hubbard Social Change Grant Program (\$350,000): The Applicant will provide to a fiscal agent a total of (7), awarded over a seven (7) year period at \$50,000 per year to the Community Health Network Agency- 4 ("CHNA #4) for the purpose of creating and funding the "Frances Hubbard Social Change Grant Program" to address key public health priorities of CHNA #4 and to provide funding for paid staffing of the CHNA; or any other activities in which the CHNA may wish to engage in. The CHNA will establish in collaboration with the OHC, the criteria and process for determining key health priorities which require funding, including selection of a review committee. Each program that receives funding to achieve the identified priorities will be required to conduct and report an annual evaluation. The CHNA will annually submit to the OCH a summary report of programs funded, outcome and budgets. The CHNA and the OHC may re-assess need and funding priorities periodically; and
- (b) North End Community Housing Initiative (\$700,000): The New North Citizens Council has over thirty years experience in the Springfield community as a community-based family service agency that provides specialty services to low income families who are predominantly Latino. Its mission is to provide human services, educational supports and broad based advocacy coupled with civic engagement that enhances residents' quality of life. To assist in its mission of providing assistance to low income families and improving the health of the community, the Applicant shall contribute a total of \$700,000 to the Council

over a seven (7) year basis at \$100,000 per year for the purpose of funding the start up and ongoing operating costs of the newly incorporated "North End Community Housing Initiative". The goal of the initiative is to increase the quantity, quality and healthfulness of affordable single and duplex family housing in North End neighborhoods. In addition, a portion of the funding may be used to leverage additional funds to write grants for projects that will assist the North End Community Housing Initiative in achieving its mission. With the collaboration of the Applicant, the Council will create a specific board and process to evaluate a final plan for making funding decisions. A final plan for making funding decisions will be shared with the Office of Healthy Communities and any other review, re-assessment or adjustment. A periodic review will also be conducted and information obtained will be used for re-assessment and periodic adjustments to ensure that the funding is best used to facilitate the goals of the initiative; and

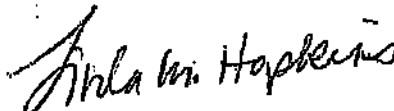
- (c) The Baystate Health North End Community Center Project (\$3,950,000): Springfield's North End neighborhood includes the poorest census tract in Massachusetts. To address the health and education needs of the children, youth and seniors who reside in this area, \$564,286 a year, over a seven (7) year period for a total of \$3,950,000 shall be awarded to the New North Citizens Council, Inc. in support of "The North End Community Center Project". The Center's services and programs are to be located, primarily, in the community spaces contiguous to the public right-of-way that bi-sects the interior of the German-Gerena Community School. The funds shall be targeted to address health education and prevention, priorities to be established with input from the community and the DON applicant and will include a number of the following: STD prevention, teenage pregnancy prevention, nutrition and weight loss, recreational sports, dance and other activities that promote physical fitness, asthma education and prevention services, violence prevention and academic supports and mentoring; however, not less than \$171,428 shall be awarded annually to the North End Outreach Network for the provision of population based outreach and supports to residents of the North End. All services and programs will contain a youth leadership development component focused on the creation and empowerment of the next generation of young Springfield leaders; it is expected that a portion of services will be sub-contracted out to other community based organizations through a request for proposals to implement programs to address the target areas. Criteria and processes for independent proposal review will be established in consultation with the OHC. Selection of proposals for implementation will be made in collaboration with the DON applicant, key community stakeholders that comprise the Campus Center Committee and it is anticipated that the Brightwood Community Health Center's medical director and City of Springfield's Director of Public Health will be primary consultants on the development of all health related services and programs. Once selected, each program will be required to conduct an annual evaluation and provide a report to the Council. The information from these annual reports may be used by the Council to re-assess need and funding priorities periodically and reissue RFP's accordingly and this information will be shared with the OHC; and
- (d) The Baystate Health-Greater Mason Square Community Centers Project (\$3,150,000): The Applicant will contribute \$450,000 a year over a seven (7) year period for a total of \$3,150,000 to the Dunbar Community Center to assist the greater Mason Square neighborhoods in addressing the health education needs of the children, youth and seniors who reside in this area. The funds shall be targeted to address health education and prevention, priorities to be established with input from the greater Mason Square community and the DON applicant and will include a number of the following: STD prevention, teenage pregnancy prevention, nutrition and weight loss, recreational sports, dance and other activities that promote physical fitness, asthma education and prevention, violence prevention and academic supports and mentoring; however, not less than \$50,000 shall be awarded annually to the lead community based nonprofit agency partnering with the City of Springfield's homelessness initiative. Criteria and processes for independent proposal review will be established. Selection of proposals for implementation will be made in collaboration with the DON applicant and the OHC, key community stakeholders from the greater Mason square community. The Baystate Health Mason Square Community Health Center's Medical Director and City of Springfield's Director of Public Health will be primary consultants on the development of all health related services and programs. All services and programs will contain a youth leadership development component focused on the creation and empowerment of the next generation of young Springfield leaders; it is expected that a portion of the services will be sub-contracted out to the Martin Luther King Jr. Community Center and that

the Mason Square Community Health Center's medical director will be a primary consultant on the development of all health related services and programs; and

- (e) The Baystate Health Care Careers Forgivable Loan Program (\$700,000): To address the racial and ethnic disparities in the composition of Springfield's health care workforce to help retain residents in the community, and to provide low income graduating Springfield public school students the opportunity to attend college and become employed in under-represented clinical health care professions the applicant will provide a total of \$700,000 awarded over a seven (7) year period, \$100,000 per year, for the purpose of awarding, not less than 20 or more than 40, forgivable loans per year to students who graduate from the Baystate Health-Springfield Public School Education Partnership (BSEP); and who are accepted into and enrolled in a health care major at one of the following accredited higher education institutions: Springfield Technical Community College, Holyoke Community College, Greenfield Community College, Westfield State College, American International College, Springfield College, the Elms College, Western New England College and the University of Massachusetts Amherst; and who agree to seek employment, upon graduation and successful professional licensure or certification, if required, at Baystate Medical Center or one of its Springfield affiliates. Furthermore, the Applicant will take the appropriate steps necessary to ensure that effective outreach is performed to reach target populations. The Applicant will establish a review process to select candidates to be recipients of the grants; and
- (f) Reserve for Special Initiatives and Sponsorships (\$700,000): The Applicant will designate an individual from the hospital to administer a total of \$700,000, awarded over a seven (7) year period at \$100,000 per year, to support emerging community requests that seek to improve the health of the community and its residents.
- (g) Evaluation (\$50,000) Because most of the funded programs discussed will be required to conduct periodic evaluations, the Applicant will provide a total of \$50,000 awarded over a seven (7) year period to adequately fund such evaluations.

Baystate shall submit an annual report to the OHC and shall hold a yearly community-wide summit in which all recipients of funds will highlight their programs and report all outcomes.

FOR THE PUBLIC HEALTH COUNCIL,



Linda M. Hopkins
Secretary to the Council

LMH: bp

cc: Sherman Lohnes, Division of Health Care Quality
Jill Mazzola, Division of Health Care Quality
Steve McCabe, Division of Health Care Finance and Policy
Elizabeth Pressman, Division of Medical Assistance
Cathy O'Connor, Office of Healthy Communities
Brunilda Torres, Office of Multicultural Health
Decision Letter File
Public File
MIS
Bernard Plovnick, Consulting Analyst

STAFF SUMMARY FOR DETERMINATION OF NEED
BY THE PUBLIC HEALTH COUNCIL

November 14, 2007

APPLICANT: Baystate Medical Center, Inc.

PROGRAM ANALYST: Bernard Plovnick

LOCATION: 759 Chestnut Street
Springfield, MA 01199

REGION: HSA 1

DATE OF APPLICATION: March 30, 2007

PROJECT NUMBER: 1 - 3B36

PROJECT DESCRIPTION: Construction of a seven-story building on the Hospital's main campus for expansion of the existing hospital including addition of 30 critical care beds and 18 medical/surgical beds, replacement of 78 existing beds, replacement and expansion of heart and vascular procedure areas, renovation of existing space, and construction of 295,800 GSF of shell space for future growth.

ESTIMATED MAXIMUM CAPITAL EXPENDITURE:

Requested: \$239,318,527 (March 2007 dollars)

Recommended: \$239,318,527 (March 2007 dollars)

ESTIMATED FIRST YEAR OPERATING COSTS:

Requested: \$72,502,095 (March 2007 dollars)

Recommended: \$72,502,095 (March 2007 dollars)

LEGAL STATUS: A unique application for a Determination of Need for substantial capital expenditure pursuant to M.G.L. c.111, §25C and the regulations adopted thereunder.

ENVIRONMENTAL STATUS: Pursuant to the Massachusetts Environmental Policy Act (M.G.L. c. 30, ss. 61-62H) and Section 11.06 of the MEPA Regulations (301 CMR 11.00), the Applicant submitted an Environmental Notification Form to the Executive Office of Energy and Environmental Affairs ("EOEEA"). In a letter dated May 11, 2007, the EOEEA determined that this project does not require the preparation of an Environmental Impact Report.

OTHER PENDING APPLICATIONS: None

COMPARABLE APPLICANTS: None

COMMENTS BY THE DIVISION OF MEDICAL ASSISTANCE: None submitted

COMMENTS BY THE DIVISION OF HEALTH CARE FINANCE AND POLICY: None submitted

TEN TAXPAYER GROUPS (TTGs): Two TTG's have registered for this application: (1) New North Citizens Council TTG, (2) Sisters of Providence Health System TTG. Both TTG's submitted written comments that are addressed in the Staff Summary.

RECOMMENDATION: Approval in part with conditions

I. BACKGROUND AND PROJECT DESCRIPTION

Baystate Medical Center, Inc. ("Baystate" or "Applicant") is a 653-bed acute care hospital located in Springfield, Massachusetts. Affiliated with Tufts University School of Medicine, Baystate serves as an academic teaching hospital and major referral center for tertiary-level services for the western Massachusetts region. Baystate serves as the flagship hospital for Baystate Health, Inc., a health services delivery organization that also includes Baystate Franklin Medical Center (Greenfield), Baystate Mary Lane Hospital (Ware), and other affiliated health services providers as well as Health New England, Inc., a for-profit health maintenance organization.

Baystate has filed a Determination of Need ("DoN") application to undertake a substantial facilities expansion at its main campus located at 759 Chestnut Street, Springfield, MA 01199. The project, as proposed, involves construction of a seven story addition to the existing hospital encompassing 599,100 gross square feet ("GSF") of new construction and 42,150 GSF of renovations. The principal components of the project are as follows:

- Replacement and expansion of adult medical/surgical and adult critical care bed units including a proposed increase in licensed bed capacity of 48 beds – 18 adult medical surgical and 30 adult critical care beds – and replacement of 78 existing adult medical/surgical beds;
- Replacement and expansion of heart and vascular procedure areas;
- Renovation of space vacated in the Springfield East Building and reuse for administrative and other non-clinical support functions;
- Construction of 295,800 GSF of shell space capable of accommodating up to 158 additional beds, a surgical suite, emergency department, and other clinical and support services

The total maximum capital expenditure of the proposed project is \$239,318,527 (March 2007 dollars).

II. STAFF ANALYSIS

The proposed project, in its scope and scale, is noteworthy in several respects. First, the construction of a substantial clinical building (600,000 GSF) with approximately 50% of its space designated as shell space is unprecedented in the DoN Program's experience. Further, with a proposed maximum capital expenditure ("MCE"), of close to \$240 million, the project's proposed capital expenditure is among the highest ever reviewed by the DoN Program. Moreover, with construction of the capacity for 206 additional beds (including 158 in shell space), the project encompasses a potentially significant expansion of acute bed capacity, one of the largest such expansions ever proposed in a single DoN application.

A. Health Planning Process

According to the Applicant, a long range planning process involving Baystate and its partner organizations which collectively comprise Baystate Health, Inc. ("BH") was central to the development of the proposed project. Moreover, the Applicant made reference to the BH Strategic Plan, a document outlining multi-year goals and strategies for pursuing its mission as a not-for-profit hospital delivery system serving Western Massachusetts. In 2005, BH updated the Strategic Master Facilities Plan for the Baystate Campus in order to assess its projected facilities requirements for the 2016-2020 time frame. This resulted in an extensive process involving a great many BH participants together with other health care providers and consumer groups. Future space and capacity requirements were determined by studying population growth projections, hospital utilization trends, market share growth, and potential reuse of existing space.

Baystate documented a number of discussions with DoN Staff and other state officials. Further, it included with its application a list of local and regional providers, consumers, and officials who were consulted in the course of the planning process and a significant number of letters of support from state legislators, county and local officials, business and community leaders, physicians, and other health care providers.

~~Staff finds that the Applicant has engaged in a very satisfactory health planning process.~~

I. Health Care Requirements**1. Bed Need**

Under existing DoN regulations, an acute hospital may increase its licensed adult medical/surgical ("M/S") bed capacity without applying for DoN approval as a substantial change in service. DoN approval of new acute bed capacity is required, however, whenever it results in a project maximum capital expenditure ("MCE") exceeding the expenditure minimum (\$13,592,292 as of October 1, 2006). In such circumstances, an Applicant is required to justify its proposed new bed capacity by demonstrating population based need for additional acute care beds in its primary service area. In reviewing a DoN application involving new M/S bed capacity, the DoN Program no longer employs a standard bed need methodology with fixed, statewide age-specific hospital use rates. Rather, the DoN Program makes a finding based upon the reasonableness of the Applicant's justification of need for additional bed capacity under the DoN Program's general mandate of ensuring that the health care requirements of the service area population will be reasonably met without unnecessary duplication of service or expenditure. In light of the fact that the MCE of Baystate's proposed project falls significantly above the expenditure minimum for a DoN, the requested increase in M/S bed capacity is subject to DoN review.

Baystate's existing and proposed licensed bed capacity, listed by service, is as follows:

	Existing Bed Capacity	New Capacity in Project Scope	Proposed Future Bed Capacity
Adult Medical/Surgical	411	18	429
Adult Intensive Care	40	30	70
Obstetrics	64		64
Pediatrics	49		49
Neonatal Intensive Care	55		55
Acute Psychiatric	28		28
Pediatric Intensive Care	6		6
Sub-total	653	48	701
Shell Space	0	158	158
Total Bed Complement	653	206	859

The Applicant submitted utilization information for its adult medical/surgical beds for the past three years of operation, as follows:

	Licensed Beds	Occupancy Rate	Average Length of Stay	Discharges	Patient Days
M/S					
2004	366	80.00%	4.66	22,928	106,870
2005	375	78.17%	4.62	23,128	106,995
2006	397	77.79%	4.67	24,125	112,723
M/S ICU					
2004	24	80.07%	3.64	1930	7,033
2005	24	83.23%	3.81	1913	7,291
2006	24	88.23%	5.31	1456	7,729
Coronary ICU					
2004	16	73.17%	2.24	1909	4,285
2005	16	72.98%	2.15	1984	4,262
2006	16	73.41%	2.52	1700	4,287

Baystate's primary service area ("PSA"), based upon patient origin information drawn from FY 2005 discharge data, consists of twenty-five communities in Hampden, Franklin, Hampshire and Berkshire Counties and a section of

north central Connecticut. Serving as an academic medical center and referral facility for tertiary level services, Baystate included in its need analysis a broader, secondary service area ("SSA") encompassing all of the four counties represented in its primary service area as well as a small section of western Worcester County to the east. Baystate asserted that its tertiary level services, notably cardiovascular services, typically draw patients from this broader geographic area which, as defined by Baystate, approximates the area defined as HSA I.

In demonstrating need for the proposed additional beds, Baystate relied upon the following evidence:

- (a) Population projections and aging of the population of its service area.
- (b) Baystate's increasing market share of the service area population.
- (c) Growing demand for cardiovascular services, of which Baystate is the sole provider in the region.
- (d) Current utilization trends that have episodically strained the Hospital's existing capacity and caused diversion of patients from the Emergency Department.

(a) Population Trends

Baystate presented 2020 population projections developed by the Massachusetts Institute for Social and Economic Research ("MISER"). Projecting from 2000 U.S. Census data, the MISER projections show modest growth for the general population of Baystate's PSA. Over the 20 year projection period, the total population growth in Hampden and Hampshire Counties, which make up most of Baystate's PSA, is projected to be slightly above 1.25%. The growth expected in the adult age groups (age 15 and over), however, was projected to be 4.59% between 2000-2020, with particularly significant population growth expected for the 55-74 age groups, as shown in the chart below:

Population of Hampden and Hampshire Counties by Age Group
1990-2020

Age Group	1990 Census	2000 Census	% Change 1990-2000	2020 Projection	% Change 2000-2020
0-14	119,987	122,747	2.30%	108,335	-11.74%
15-54	348,201	350,777	0.74%	314,824	-10.25%
55-59	24,112	28,792	19.41%	42,085	46.17%
60-64	26,144	21,585	-17.44%	40,927	89.61%
65-69	26,449	20,081	-24.08%	35,726	77.91%
70-74	22,315	20,567	-7.83%	29,220	42.07%
75-79	16,137	18,966	17.53%	18,918	-0.25%
80+	19,533	24,964	27.80%	26,313	5.40%
Total 15+	482,891	485,732	0.59%	508,013	4.59%
Total Population	602,878	608,479	0.93%	616,348	1.29%

Baystate underscored that this rate of population growth in the PSA, while not dramatic, will have a significant effect upon the demand for hospital services due to the higher rates of hospital utilization and longer hospital stays among older people.

(b) Market Share

Based upon its experience of the past four years, Baystate cited expected growth in its adult medical/surgical market share as further evidence of need for additional bed capacity. As of FY 2005, the Applicant claimed that it was the acute hospital provider for one third of the adult population of its combined PSA and SSA and that its market share was trending upward, as shown in the following table:

	FY 2002	FY 2003	FY 2004	FY2005
Baystate Market Share	31.0%	31.8%	32.6%	33.4%

(c) Cardiovascular Services

Baystate placed significant emphasis on the expected growth of its cardiovascular services as an indicator of future bed need, highlighting its role as the region's sole provider of tertiary level services such as coronary and peripheral angioplasty, electrophysiology studies and therapeutic interventions, and open heart surgery. Further, the Applicant noted that the incidence of cardiovascular disease naturally increases with age, and that the aging of the population can reasonably be expected to produce an increase in hospital utilization related to cardiovascular disease cases. Over the period from 2000-2006, the number of Baystate cardiovascular inpatient discharges increased by 33% with average length of stay for this category of patients remaining relatively stable, decreasing by only 10% during this period.

(d) Actual Utilization Trends

Finally, Baystate provided evidence that bed availability has already become a major concern. Documenting an increase over the past five years in the number of annual hours of ambulance diversion, the Applicant attributed a shortage of available inpatient beds to the periodic closure of the Hospital's emergency department and diversion of patients to other area hospitals. In 2006, for example, the number of diversion hours increased by nearly a third despite the opening of 22 additional adult medical/surgical beds. According to Baystate, this trend has resulted from increased admissions as well as to an increase in non-admission related patient days that use licensed adult medical/surgical beds, namely patients requiring observation or those recuperating from day stay/outpatient procedures.

(e) Bed Need Calculation

Baystate indicated that it had forecast the need for 45-50 additional beds by projecting future utilization using an annual growth rate of 4.1%, a rate that it stated was based upon historical trends. As a result, the Applicant has requested approval of a total of 48 new adult medical/surgical beds, including 30 ICU beds based upon a projection of 157,000 total adult medical/surgical patient days by 2016, an increase of over 32,000 patient days from 2006. The Applicant did not attempt to justify need for any of the bed capacity that it proposes to build as shell space.

2. Staff Analysis of Bed Need

Staff reviewed the data submitted by the Applicant for reasonableness and consistency. In general, Staff found valid evidence to support the future need for some additional bed capacity in the Applicant's service area.

Staff applied a population based approach to quantify the level of need. As noted above, 2020 Population projections from MISER reflect a modest overall increase for Baystate's service area population when compared to 2000 census data. Several, mostly younger age groups of the population are projected to decline while others, particularly the 65-74 age group, are expected to grow. Changes in health care delivery over a twenty year time span are often profound due to the dynamics of health care policy and practice. In general, however, the population based approach of applying age-specific hospital utilization rates to a projected service area population has been favored to forecasting from a single institution's past utilization experience.

For the purpose of determining bed need, and consistent with DoN past practice, Staff did not distinguish between intensive care unit ("ICU") beds and standard adult medical/surgical beds. Henceforth in this analysis, unless otherwise specified, any reference made to adult medical/surgical ("M/S") beds includes adult ICU beds as well.

(a) Hospital Use Rates

Hospital utilization rates ("use rates") represent a measure of demand for hospital services. Changes in use rates over time are reflective of many factors, including health care policy, medical practice, technology, the incidence and prevalence of disease, and socioeconomic factors. Use rates tend to be relatively stable over the short term but can vary greatly over the longer term. This is well illustrated in the table below which compares the use rates submitted

by the Applicant for HSA 1, obtained from Massachusetts Health Data Consortium ("MHDC") reports. For comparison purposes, the 1990 standard use rates previously applied to DoN projects reviewed in the 1980's are also presented:

Age Group	<u>Inpatient Days per 1000 Population</u>				1990 DoN Use Rate Standards (for comparison only)
	HSA 1 Actual FY 2005	HSA 1 Actual FY 2006	% Change		
15-64	299	305	+2.0%		517
65-74	1,082	1,113	+2.8%		2,673
75+	2,316	2,281	-1.5%		5,075

Staff notes that for beds planned to begin operating in 2013 as proposed by this project, the application of actual FY 2006 use rates for HSA 1 may be imprecise for predicting hospital utilization in 2020, but these values represent the best available measure of future demand for health care services by area residents at the present time.

(b) 2020 Service Area Population Projections

The MISER population projections for FY 2020 employ 2000 Census Data as the base year. The most recent update by MISER to incorporate corrections made to the 2000 Census was released in July 2003. Staff notes that annual population estimates are calculated and published by the Population Division of the U.S. Census Bureau providing reports by county and by city/town, but not by age groups. The more complete age group breakdown compatible with applying age-specific use rates was only available in the MISER database. As a result, use of the annual population estimates for 2006 was not an option for the analysis of bed need.

As noted earlier, Baystate analyzed both its primary service area, defined by the cities and towns (identified in the MHDC reports by zip code) that accounted for 90% of its inpatient discharges in 2005, as well as a broader geographic area which better represents Baystate's service as a tertiary medical center and regional referral hospital. The latter area was made up of the cities and towns of Hampden, Hampshire, Franklin, and Berkshire Counties and 13 towns from the western portion of Worcester County. Staff found the Applicant's service area definition to be appropriate.

(c) Market Share

Baystate assumed an increasing share of the regional market for adult medical/surgical services based upon its experience of annual growth of 0.8% for three consecutive years of operation. While this same level of growth may not be sustainable in the future, Staff determined that Baystate's assumption of continued growth in market share to be reasonable.

(d) Quantification of Bed Need

As noted above, Baystate referenced a number of indicators of bed need in justifying the request to increase its bed capacity by 48 adult medical/surgical beds. The cited indicators included an increase in the service area population, aging of the service area population, an increase in market share, an increase in cardiovascular cases, and the growing frequency of episodic bed shortages. To quantify its need for beds, however, the Applicant relied solely upon its recent utilization experience, stating that it had assumed an annual growth rate of 4.1%.

Using population-based measures, namely, the 2020 projected population for Baystate's service area, the expected rates of hospital utilization by the various age segments of the population, and the Applicant's reasonable share of the adult acute services market, Staff endeavored to determine whether a need for 48 beds could be substantiated.

Applying actual age-specific hospital use rates for HSA 1 to the projected 2020 service area population and comparing it to the 2000 Census service area population permits the measurement of increased demand for the service area, expressed in patient days per year (column d, below).

	(a)	(b) Population Estimates		(d) Population Growth 2000-2020		(e) Hospital Use Rates (Actual 2006)	(f) Expected Increase in Patient days 2000-2020
	Age Group	2000 Census	2020 Projection	N	%		
Primary Service Area	0-14	120,672	106,681	-13,991	-11.59%		
	15-54	343,906	304,003	-39,903	-11.60%	0.305	-12,170
	55-59	27,950	40,889	12,939	46.29%	0.305	3,946
	60-64	21,065	40,886	19,821	94.09%	0.305	6,045
	65-69	19,748	37,042	17,294	87.57%	1.113	19,248
	70-74	20,026	28,363	8,337	41.63%	1.113	9,279
	75-79	18,151	18,788	637	3.51%	2.281	1,452
	80+	24,169	27,884	3,716	15.37%	2.281	8,475
	Total 15+	475,014	497,854	22,839	4.81%		36,275
Secondary Service Area	0-14	46,506	37,206	-4,172	-10.08%		
	15-54	134,351	109,508	-19,213	-14.93%	0.305	-7,577
	55-59	13,519	18,801	1,639	9.55%	0.305	1,611
	60-64	10,220	19,814	5,407	37.53%	0.305	2,926
	65-69	9,176	18,114	7,080	64.17%	1.113	9,948
	70-74	9,026	14,927	6,113	69.35%	1.113	6,568
	75-79	8,268	9,502	2,027	27.12%	2.281	2,815
	80+	11,198	12,158	392	3.33%	2.281	2,189
	Total 15+	195,759	202,824	7,065	3.54%		18,479
PSA/SSA Totals		670,773	700,678	29,904	4.46%		54,755

Applying the actual 2006 use rates to the projected 2020 PSA population reveals an expected net increase in demand for M/S services in Baystate's service area of 54,755 patient days above the 2000 level. Assuming an average occupancy of 80%, this increase in demand is the equivalent of 188 beds. This number must be adjusted, however, to account for any net new bed capacity in the service area added since 2000. Staff calculated a net increase in area supply of 87 M/S beds, 81 of which were at Baystate over this period as follows:

	M/S Beds, 2000	M/S Beds, 2007	Net Change, 2000-2007
Baystate Medical Center	354	435	81
Baystate Franklin Med. Ctr.	49	50	1
Baystate Mary Lane	20	20	0
Berkshire Medical Center	164	161	-3
Cooley Dickinson	68	79	11
Holyoke Medical Center	133	133	0
Mercy Medical Center	161	168	7
Noble Hospital	56	56	0
North Adams Regional MC	73	74	1
Wing Memorial	35	24	-11
Totals			87

Reducing the calculated need of 188 by 87 beds results in a net area need of 101 M/S beds in 2020. As noted earlier, Baystate held a 33.4% share of the adult medical/surgical services market in FY 2005, following growth in its market share at the rate of 0.8% per year for three consecutive years. If, for purposes of this analysis, an annual rate of growth of between 0% and 1% is assumed, Baystate's projected market share in FY 2020 would fall within the range of 33.4% - 48.4%. In terms of bed need, Baystate's share of the projected increase in demand for hospital services would justify the addition of 34 to 49 beds.

Based on this analysis, Staff finds that an increase of 48 beds to Baystate's licensed adult medical/surgical bed capacity to be reasonable.

(e) Additional Bed Capacity to Be Constructed as Shell Space

Baystate has proposed, as a major component of this project, the construction of 295,800 GSF of shell space, representing 49.4% of the total new space to be constructed in the project. The shell, or unfinished space, has been planned on all but two of the new building's eight levels and is designated on the schematic drawings to accommodate 158 beds and other hospital functions, as outlined below:

Level	Total GSF	Shell	Intended Future Use
G	96,550	25,800	Staff Support, Mechanical Space
1	105,100	76,550	Emergency, Diagnostics, Imaging, Staff Support
2	105,250	59,650	Surgery, PACU, Heart & Vascular Procedure Rooms
3	87,450	54,850	ICU (30 beds), Med/Surg Unit (32 beds)
4	83,500	49,550	2 Med/Surg Units (64 beds)
5	31,750	0	
6	31,750	0	
7	31,750	29,400	Med/Surg Unit (32 beds)
Roof	26,000	0	
Total	599,100	295,800	

Baystate cited future growth as the reason for its plan to construct the additional space. Construction and operating cost savings and minimizing disruption to operations due to future construction were the reasons given for building the shell space as part of the proposed project. The Applicant did not address the 158 beds to be constructed as shell space in its bed need analysis.

Staff notes that shell space involving future bed capacity has been permitted on a case by case basis to a very limited number of previously approved DoN projects. The two most recent DoN approvals having relevance to Baystate's request for shell space were Cape Cod Hospital Project #5-3A36 ("Cape Cod") and Brigham and Women's Hospital Project #4-3771 ("Brigham").

In 2002, the Department approved Cape Cod, a project involving construction of a new four story wing encompassing 119,000 GSF, an increase of 60 M/S beds, and construction of 42,000 GSF of shell space "at [Cape Cod Hospital's] own risk". The approved MCE of the project was \$36.6 million (July 2002 dollars). The need for additional beds was substantiated by dramatic population growth in the PSA of 26.2% projected from 2000-2010. The approval stipulated that Cape Cod Hospital would not receive any reimbursement for the shell space portion of the project until it had begun to be used patient care.

In 1991, the Department approved the Brigham project with an MCE of \$48,642,000 (October 1990 dollars). The project scope involved construction of a new seven-level clinical building encompassing 165,375 GSF. The project also referenced the intent to construct four additional floors of shell space above the proposed seven it had programmed, the scope and expenditure for which was to be addressed in a second DoN application. Brigham and Women's Hospital subsequently filed an application for the additional space (Project #4-3849) which the Department approved in 1992 with an MCE of \$42,504,000 (July 1992 dollars).

Staff recognizes that Baystate may require additional space in the future for replacement of existing M/S bed capacity or for additional bed capacity, and that the proposed project represents a sound plan for constructing such space in an efficient, cost effective manner with a minimum of disruption to hospital operations. Thus, from an institutional standpoint, Staff finds considerable merit with Baystate's proposal to construct the shell space as part of this project to reduce construction costs, disruption, and inconvenience. At the health system level, however, approval of the requested shell space as a part of this project raises several important concerns, namely, the significant cost of the shell space (approximately \$60,000,000, or 25% of MCE), the high proportion of shell space in the project scope (50%), the absence of need for additional bed capacity, and the potential duplication of existing services in the area. As noted above, population projections for the Baystate PSA do not reflect, nor has Baystate yet demonstrated, a compelling need in the future for a substantial number of new M/S bed capacity above the 48 proposed in this project.

Staff notes that if the shell space is approved as part of this DoN, Baystate will be required, under Section 105 CMR 100.756 of the DoN Regulations, to file a request to the DoN Program Director for an amendment for a significant change to its approved DoN prior to undertaking the build-out of the shell space for clinical purposes. The approval process for a significant change amendment requires review and analysis by DoN Staff, opportunity for public comment during the review process, and final approval by the Public Health Council.

In considering its recommendation, Staff has endeavored to strike a fair balance between the Applicant's intent to undertake a reasonable plan for addressing its future facility requirements and the responsibility of the Department at the health system level to prevent unnecessary duplication of services and health care expenditures. As noted above, the expenditure required to make the shell space operational would be subject to a future process involving oversight by the Department, participation of interested parties of record, and approval at a regularly scheduled meeting of the Public Health Council. For this reason, approval of the expenditure for shell space as proposed in this project would not be tantamount to approval of health care expenditures for which need has not been demonstrated. Rather, that determination of need for space to accommodate expanded services would be deferred to a later date, at which time it should be clearer whether the space is required for expanded service capacity or for the replacement of existing capacity from outdated facilities that have exceeded their useful life. As a result, Staff finds that approval of the 295,800 GSF of shell space can be permitted as a part of this project.

In conclusion, based upon the foregoing analysis, Staff finds that the project meets the health care requirements of the DoN Regulations.

C. Operational Objectives

1. Health Care Quality

Baystate has an extensive program to assure quality and promote patient safety and satisfaction. A physician vice president leads Baystate's Division of Healthcare Quality that is responsible for carrying out its quality program. The Applicant also referenced its active participation in major quality initiatives and highlighted its recognition as a national leader in health care improvement research and practice. The cited affiliations include the Hospital Quality Alliance, the Hospital Quality Initiative, and the Institute for Healthcare Improvement's 100,000 Lives Campaign. Baystate also referenced its recognition for excellence by Solucient's 100 Top Hospitals: Benchmarks for Success and Cardiovascular Benchmarks for Success Study, by the Massachusetts Quality Improvement Organization ("Mass PRO"), and the Leapfrog Group's Top Hospitals 2006 List. Baystate also referenced other quality assurance initiatives that it is engaged in related to the prevention of patient falls, treatment of heart failure, prevention of hospital-acquired infections, and hospital-acquired pressure ulcers.

2. Operating Efficiency

Baystate presented a number of areas in which the proposed project will result in improved operating efficiency. These include the reduction of overcapacity problems, particularly related to adult medical surgical beds and cardiovascular procedure rooms. The proposed project will result in a dramatic increase in the number of private patient rooms, which will reduce unnecessary transfer of patients from one room to another, permit the Hospital to

make more efficient use of its beds, reduce the back-up of patients in the Emergency Department, and reduce disruption of the operating room schedule. These improvements will also contribute to a reduction in the diversion of ambulances due to bed shortages. Further, the Applicant noted that the elimination of outdated facilities and correction of deficiencies will improve operational efficiency.

3. Interpreter Services

The Department's Office of Multicultural Health ("OMH") recently conducted a review of the policies and procedures in place at Baystate related to language access for non-English or Limited English Proficiency ("LEP") patients seeking care at the Hospital. OMH has recommended, and Staff agrees, that as a condition of approval, Baystate shall enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services:

- (a) Policies and procedures that are consistent across all affiliated hospitals and clinical sites operating under the license of Bay State Medical Center;
- (b) Policies and procedures that discourage the use of family members/friends as interpreters;
- (c) Translation procedures and guidance for developing timely, accurate, competent, and culturally appropriate patient educational materials and forms;
- (d) Signage posted at all points of contact and public points of entry informing patients of the availability of interpreter services at no charge;
- (e) Ongoing training for all hospital staff on the appropriate use of interpreter services, inclusive of telephonic services;
- (f) Inclusion of the Interpreter Services Manager in all decisions that impact people with LEP; and
- (g) Adherence to recommended National Standards for Culturally and Linguistically Appropriate Services ("CLAS") in Health Care (materials available online at <http://www.omhrc.gov/templates/browse.aspx?lvl=2&lvlID=15>).

In addition, Baystate shall submit the following items to OMH:

- (h) Annual language needs assessment external and internal sources of data;
- (i) Plan for the inclusion of LEP patients in all satisfaction surveys;
- (j) Plan for how it will use the data collected on race and ethnicity to address racial and ethnic health disparities;
- (k) Plan for outreach to LEP community members and agencies identified in its service area informing them of the availability and provision of interpreter services at no cost;
- (l) Plan for improvement addressing the above within 60 days of DoN's approval to the Office of Multicultural Health;
- (m) Annual Progress Reports to the Office of Multicultural Health 45 days after the end of the federal fiscal year; and
- (n) Notification to OMH of any substantial changes to its Interpreter Services Program.

In summary, Staff finds that, with adherence to certain conditions, the project meets the operational objectives requirements of the DoN Regulations.

D. Compliance Standards

Baystate has submitted schematic drawings.

The Applicant has agreed to meet all relevant standards necessary to operate the proposed Cardiac MRI unit, including all relevant licensure standards of the Division of Health Care Quality.

Based on the above, Staff finds that the project meets the compliance standards of the DoN Regulations.

E. Reasonableness of Expenditures and Cost

1. Spatial Analysis

Baystate is requesting a total of 599,100 GSF of new construction and 43,150 GSF of renovations to existing space for construction of a seven-story building on the Hospital's main campus for expansion of the existing hospital including the addition of 30 critical care beds and 18 medical/surgical beds, replacement of 78 existing beds, replacement and expansion of heart and vascular procedure areas, renovation of existing space, and construction of 295,800 GSF of shell space for future growth. The project will replace outdated facilities and will permit needed expansion space.

The table below shows Baystate's requested and Staff's recommended GSF for new construction by functional areas. In making its recommendations, Staff was guided by the Department's Draft Guidelines for Acute Care Space Requirements, April 1986 ("Acute Space Guidelines") and the Department's Division of Health Care Quality ("DHCQ") architectural plan review staff.

	<u>Proposed and Recommended GSF</u>
New Construction	
<u>Patient and Ancillary Areas</u>	
ICU Bed Units, 30 beds	22,400
Heart & Vascular Pre-op and PACU	5,450
Heart & Vascular Procedure (8 rooms)	17,100
Heart & Vascular Procedure - Support	9,950
Heart & Vascular Surgery	9,950
Med/Surg - 96 beds	60,600
Central Sterile Processing	12,500
Materials Management	10,150
Ambulance Bays	4,000
Loading Docks	1,500
<u>Mechanical and Circulation</u>	
Circulation Space, Corridors, Stairs, Walkways	62,150
Exterior Walls	10,150
Mechanical Space	48,250
Shared Public - Lobbies/Waiting/Toilets	8,550
Staff Support	20,600
<u>Other</u>	
Shell Space	295,800
Total New Construction	599,100
Renovation	
<u>Patient and Ancillary Areas</u>	
ICU Bed Units, 32 beds	18,200
M/S Step-down Unit, 9 Beds	5,500
Sterile Processing Department	3,200
Minor Backfill Renovation	13,500
<u>Mechanical and Circulation</u>	
Connector to New Construction/Corridor	1,750
Total Renovation	42,150

Staff compared the proposed space allocation to functional areas with the Acute Space Guidelines and found them to be considerably in excess of the GSF recommended in the Guidelines. However, Staff notes that the Guidelines are over twenty years old and no longer represent a reliable metric for contemporary state of the art

hospital facilities. For example, the Acute Space Guidelines for inpatient units (300-450 GSF per bed) is considerably less than the project's proposed 631 GSF per bed. The variance is explained by changes in equipment, information technology, ADA requirements, and the fact that the private patient room has replaced the semi-private room as the standard for new hospital facilities.

Staff also compared the proposed functional space allocations to DoN projects approved in the past several years and, on that basis, found the proposed functional space to be reasonable.

1. Maximum Capital Expenditure

The proposed maximum capital expenditure ("MCE") for this project is \$239,318,527 (March 2007 dollars), itemized as follows:

	New Construction	Renovation	Total
Site Survey and Soil Investigation	\$ 40,000		\$ 40,000
Other Non-Depreciable Land Development Cost	1,889,380		1,889,380
Depreciable Land Development Cost	2,789,872		2,789,872
Construction Contract (including bonding cost)	153,307,534	843,000	154,150,534
Fixed Equipment Not in Contract	2,433,894		2,433,894
Architectural and Engineering Cost	12,608,736	67,707	12,676,443
Pre-filing Planning & Development Costs	625,001	2,299	627,300
Post-filing Planning & Development Costs	2,925,086	4,914	2,930,000
Other: Other Construction, IS, signage, furniture, artwork, builder's risk, DoN fee, DPH fee, contingency	26,221,850	77,880	26,299,730
Net Interest Expense During Construction	9,471,000	0	9,471,000
Major Movable equipment	23,010,374	0	23,010,374
Cost of Securing Financing	2,987,359	12,641	3,000,000
Estimated Total Capital Expenditure	\$238,310,086	\$1,008,441	\$239,318,527

To analyze the reasonableness of the proposed construction costs more accurately, Staff separated out the imputed costs of constructing the shell space from the cost of the fully finished space. In doing so, Staff applied the Applicant's estimated unit cost for construction of shell space (\$203.49) to the volume of proposed shell space (295,800 GSF) and produced the following table:

	New Construction	Renovation
Construction Contract (including bonding cost)	153,307,534	843,000
Fixed Equipment Not in Contract	2,433,894	
Architectural and Engineering Cost	12,608,736	67,707
Sub-total	168,350,164	910,707
Less Shell Space Construction Costs	-60,192,342	
	108,157,822	910,707
Proposed GSF	303,300	42,150
Proposed Cost per GSF	\$356.60	\$21.61

Staff finds the proposed construction costs to be reasonable, based on similar, previously approved projects.

2. Incremental Operating Costs

~~The requested and recommended incremental operating costs for the first full year of operation following project final approval (FY 2013) are itemized below:~~

Salaries, Wages and Fringe Benefits	\$22,618,197
Purchased Services	926,991
Supplies and Other Expenses	27,627,001
Depreciation	9,598,566
Interest	10,000,000
Pension	1,731,340
Total Operating Expenses	\$72,502,095

Staff finds the proposed incremental operating costs to be reasonable compared to similar, previously approved projects. All operating costs are subject to review and approval by the Division of Health Care Finance and Policy and third party payers according to their policies and procedures.

4. Financial Feasibility and Capability

Baystate has proposed to finance this project with a \$200,000,000 tax exempt bond issue through the Massachusetts Health and Educational Facilities Authority ("MHEFA") having a 30 year term and an interest rate of 5% and an equity contribution of \$39,318,527, or 16.4%. The source of the equity contribution includes \$11,470,000 from the Plant Replacement and Expansion Fund, \$12,848,527 in accumulated gain from operations, and \$15,000,000 from a plant fund drive. The proposed equity contribution is within the DoN standard for a major capital project.

The Applicant submitted audited financial statements for FY 2006 representing the consolidated financial condition of Baystate Health, Inc. and its subsidiaries. From this information, Staff computed a current ratio and debt services coverage ratio and compared them to DoN standards.

	Baystate Health, Inc.		DoN Standard (Minimum Value)
	FY 2006	FY 2005	
Current Ratio	1.77	1.74	1.5
Debt Services Coverage Ratio	4.83	5.37	1.4

On the basis of this analysis, Staff finds the project to be financially feasible and within the financial capability of the Applicant.

G. Relative Merit

Baystate indicated that it had considered three alternative schemes prior to deciding to pursue the proposed project:

- No change to existing hospital capacity or structure;
- Relocation of services; and
- Renovation of space.

No change to Existing Hospital Capacity and Structure

Under this, the default scheme, Baystate would not expend any resources to address the overcapacity issues and the inadequacies of its physical facilities. This scheme was rejected because Baystate would not be able to maintain its existing level of services or accommodate any future growth. As the sole tertiary services provider in the region, Baystate predicted that vital health care needs in its service area would go unmet.

Relocation of Services

The Applicant considered freeing up space on its main campus by moving some services off site to satellite locations and reuse vacated space to provide expansion space for inpatient services. This alternative was rejected

because the space that could be freed up would not have been adequate to accommodate the desired functions and the relocation of services to off site locations would result in less efficient and more costly operations.

Renovation of Space

As part of its Master Facility Planning process, Baystate commissioned an in depth review of existing buildings, infrastructure and utilities to assess the optimal use of existing facilities. It learned that reuse of existing facilities to serve the identified needs would be an extremely costly and disruptive undertaking and the results would be far less functional than the proposed project.

Staff finds that the proposed project has superior merit relative to the other potential alternatives for achieving the Applicant's objectives.

H. Community Health Initiatives

Baystate underscored its ongoing commitment to meeting the health and wellness needs of the communities it serves, and noted its recent recognition by the American Hospital Association as one of four finalists for the 2006 Foster McGaw Prize, a prestigious national award for leadership in the provision of community benefits. In order to identify areas of need, develop strategies to address identified needs and evaluate the effectiveness of such strategies as implemented, the Applicant referenced its work with community members from the greater Springfield community as well as other communities in Western Massachusetts.

In coordination with the Department's Office of Healthy Communities ("OHC"), Baystate developed a plan to provide an array of additional community-based services for the citizens of Springfield through providing \$9,600,000 over a seven (7) year period or \$1,371,428 per year with payment beginning within thirty (30) days following DoN approval. Subject to DoN approval, the community benefit initiative shall include the following:

- (a) Frances Hubbard Social Change Grant Program: The Applicant will provide to a fiscal agent a total of \$350,000, awarded over a seven (7) year period at \$50,000 per year to the Community Health Network Agency- 4 ("CHNA #4) for the purpose of creating and funding the "Frances Hubbard Social Change Grant Program" to address key public health priorities of CHNA #4 and to provide funding for paid staffing of the CHNA; or any other activities in which the CHNA may wish to engage in. The CHNA will establish in collaboration with the OHC, the criteria and process for determining key health priorities which require funding, including selection of a review committee. Each program that receives funding to achieve the identified priorities will be required to conduct and report an annual evaluation. The CHNA will annually submit to the OCH a summary report of programs funded, outcome and budgets. The CHNA and the OHC may re-assess need and funding priorities periodically; and
- (b) North End Community Housing Initiative: The New North Citizens Council has over thirty years experience in the Springfield community as a community-based family service agency that provides specialty services to low income families who are predominantly Latino. Its mission is to provide human services, educational supports and broad based advocacy coupled with civic engagement that enhances residents' quality of life. To assist in its mission of providing assistance to low income families and improving the health of the community, the Applicant shall contribute a total of \$700,000 to the Council over a seven (7) year basis at \$100,000 per year for the purpose of funding the start up and ongoing operating costs of the newly incorporated "North End Community Housing Initiative". The goal of the initiative is to increase the quantity, quality and healthfulness of affordable single and duplex family housing in North End neighborhoods. In addition, a portion of the funding may be used to leverage additional funds to write grants for projects that will assist the North End Community Housing Initiative in achieving its mission. With the collaboration of the Applicant, the Council will create a specific board and process to evaluate a final plan for making funding decisions. A final plan for making funding decisions will be shared with the Office of Healthy Communities and any other review, re-assessment or adjustment. A periodic review will also be conducted and information obtained will be used for re-assessment and periodic adjustments to ensure that the funding is best used to facilitate the goals of the initiative; and

- (c) The Baystate Health North End Community Center Project: Springfield's North End neighborhood includes the poorest census tract in Massachusetts. To address the health and education needs of the children, youth and seniors who reside in this area, \$564,286 a year, over a seven (7) year period for a total of \$3,950,000 shall be awarded to the New North Citizens Council, Inc. in support of "The North End Community Center Project". The Center's services and programs are to be located, primarily, in the community spaces contiguous to the public right-of-way that bi-sects the interior of the German Gerena Community School. The funds shall be targeted to address health education and prevention, priorities to be established with input from the community, and the DON applicant and will include a number of the following: STD prevention, teenage pregnancy prevention, nutrition and weight loss, recreational sports, dance and other activities that promote physical fitness, asthma education and prevention services, violence prevention and academic supports and mentoring; however, not less than \$171,428 shall be awarded annually to the North End Outreach Network for the provision of population based outreach and supports to residents of the North End. All services and programs will contain a youth leadership development component focused on the creation and empowerment of the next generation of young Springfield leaders; it is expected that a portion of services will be sub-contracted out to other community based organizations through a request for proposals to implement programs to address the target areas. Criteria and processes for independent proposal review will be established in consultation with the OHC. Selection of proposals for implementation will be made in collaboration with the DON applicant, key community stakeholders that comprise the Campus Center Committee and it is anticipated that the Brightwood Community Health Center's medical director and City of Springfield's Director of Public Health will be primary consultants on the development of all health related services and programs. Once selected, each program will be required to conduct an annual evaluation and provide a report to the Council. The information from these annual reports may be used by the Council to re-assess need and funding priorities periodically and reissue RFP's accordingly and this information will be shared with the OHC; and
- (d) The Baystate Health-Greater Mason Square Community Centers Project: The Applicant will contribute \$450,000 a year over a seven (7) year period for a total of \$3,150,000 to the Dunbar Community Center to assist the greater Mason Square neighborhoods in addressing the health education needs of the children, youth and seniors who reside in this area. The funds shall be targeted to address health education and prevention, priorities to be established with input from the greater Mason Square community and the DON applicant and will include a number of the following: STD prevention, teenage pregnancy prevention, nutrition and weight loss, recreational sports, dance and other activities that promote physical fitness, asthma education and prevention, violence prevention and academic supports and mentoring; however, not less than \$50,000 shall be awarded annually to the lead community based nonprofit agency partnering with the City of Springfield's homelessness initiative. Criteria and processes for independent proposal review will be established. Selection of proposals for implementation will be made in collaboration with the DON applicant and the OHC, key community stakeholders from the greater Mason square community. The Baystate Health Mason Square Community Health Center's Medical Director and City of Springfield's Director of Public Health will be primary consultants on the development of all health related services and programs. All services and programs will contain a youth leadership development component focused on the creation and empowerment of the next generation of young Springfield leaders; it is expected that a portion of the services will be sub-contracted out to the Martin Luther King Jr. Community Center and that the Mason Square Community Health Center's medical director will be a primary consultant on the development of all health related services and programs; and
- (e) The Baystate Health Care Careers Forgivable Loan Program: To address the racial and ethnic disparities in the composition of Springfield's health care workforce to help retain residents in the community, and to provide low income graduating Springfield public school students the opportunity to attend college and become employed in under-represented clinical health care professions the applicant will provide a total of \$700,000 awarded over a seven (7) year period, \$100,000 per year, for the purpose of awarding, not less than 20 or more than 40, forgivable loans per year to students who graduate from the Baystate Health-Springfield Public School Education Partnership (BSEP); and who are accepted into and enrolled in a health care major at one of the following accredited higher education institutions: Springfield Technical Community College, Holyoke Community College, Greenfield Community College, Westfield State College, American International College, Springfield College, the Elms College, Western New England College and the University of Massachusetts Amherst; and who agree to seek employment, upon graduation and successful professional licensure or

certification, if required, at Baystate Medical Center or one of its Springfield affiliates. Furthermore, the Applicant will take the appropriate steps necessary to ensure that effective outreach is performed to reach target populations. The Applicant will establish a review process to select candidates to be recipients of the grants; and

- (f) Reserve for Special Initiatives and Sponsorships: The Applicant will designate an individual from the hospital to administer a total of \$700,000, awarded over a seven (7) year period at \$100,000 per year, to support emerging community requests that seek to improve the health of the community and its residents.
- (g) Evaluation: Because most of the funded programs discussed will be required to conduct periodic evaluations, the Applicant will provide a total of \$50,000 awarded over a seven (7) year period to adequately fund such evaluations.

The Applicant will give a yearly annual report to the OHC and will hold a yearly community-wide summit in which all recipients of funds will highlight their programs and report all outcomes.

The Office of Healthy Communities and Staff find the proposed community health initiatives to be in conformance with Factor 9 of the DoN Regulations.

III. COMMENTS BY TEN TAXPAYER GROUPS

Two ten taxpayer groups were formed and were accepted as qualified parties of record with respect to this DoN application. Neither of the TTG's requested a public hearing and both submitted written comments which Staff has summarized below.

A. New North Citizens Council Ten Taxpayer Group

The New North Citizens Council and Atwater Civic Association ("NNCC"), representing two Springfield neighborhood associations, registered in support of the proposed project as a single TTG. NNCC cited the Applicant's crucial role in the delivery of health care in the region and its need for new, state of the art facilities and expanded clinical capacity. NNCC also underscored the virtue of the design of all new inpatient rooms as private rooms from the standpoint of family involvement and patient healing. Noting that the Applicant is the largest employer in the region, NNCC noted that the project would create 550 new permanent jobs and 300 construction jobs. Finally, NNCC embraced the construction of shell space as a strategy for expansion to the extent that it will reduce disruption to neighborhood residents living in close proximity to the Applicant's main campus.

B. Sisters of Providence Health System Ten Taxpayer Group

A ten taxpayer group was formed representing the Sisters of Providence Health System ("SPHS") and Mercy Medical Center. The comments submitted by SPHS expressed opposition to the need for additional bed capacity at Baystate and strong concern about the potential harm that the proposed project might have on other hospitals and health systems in the region. Staff will address several of the technical points raised by SPHS in its opposition to the need for additional bed capacity in the Applicant's primary service area.

First, SPHS observed that that Baystate's 2020 projection of demand based upon 2000 population data would overstate any unmet need, since any increase in demand between 2000 and 2006 is already reflected in Baystate's numbers. Further, SPHS noted that the Applicant's projections did not take into account the existing supply of M/S beds in the area. Staff concurred with these points and has adjusted the bed need projections accordingly.

SPHS also questioned whether Baystate's projection of future demand had taken into account a number of trends that will affect hospital utilization patterns in the future. These factors included anticipated modifications in managed medical care, advances in medical technology and pharmaceuticals, and the declining rate of open heart surgery. Although the SPHS has identified a number of important factors that will have an impact on future medical care practice and hospital utilization, Staff notes that there is not consensus of opinion upon the degree in which

these trends will affect future medical care to make it possible to reasonably quantify and make adjustments for them. Staff has adopted the more conservative assumption of holding age specific use rates constant at 2006 levels.

SPHS also cited the Office of the Attorney General's 2001 Report to the State Legislature on the Springfield Health Care Market in contending that the approval of this project could harm other hospitals and health systems in the region. Department staff forwarded the application and SPHS's comments to, and has been in communication, with the Office of the Attorney General ("Attorney General"). Because the Attorney General disclosed plans to meet with the Applicant in the near future, independent of this application, the Attorney General declined to comment here. The Attorney General indicated, however, that it wishes to be apprised of any future process involving the implementation of the shell space.

SPHS also addressed the 295,800 GSF of shell space proposed by Baystate indicating that the proposal overstates the need for additional beds in the region and that it is incongruous to submit an application seeking approval for construction of unspecified functional space on such a significant scale. Staff notes that build out of beds, or any other functional build out in approved shell space, must be submitted to the Department as a Significant Change to a previously filed DON. Procedures for Significant Changes are included in the regulations at 105 CMR 100.756 and require a public notice, opportunity for comment on both the amendment and the staff report on the amendment by Interested Parties and action by the Public Health Council after brief presentation by the DoN Program Director, the holder of the DoN and the Interested Parties. Staff notes that since the Significant Change process allows for comment from interested parties, the SPHS Ten Taxpayer Group and the Attorney General as well as others will be given the opportunity to comment on the build out of the shell space as well as trends in acute health care and the need for inpatient capacity at that point. Because build out of the shell space must be the subject of a significant change amendment, and therefore will be presented to the Public Health Council, the Council will have the opportunity to discuss with the holder its responsibility for additional community benefits contributions commensurate with the increased MCE for the build out.

IV. STAFF FINDINGS

Based upon the above analysis, Staff finds the following:

1. Baystate has filed a Determination of Need ("DoN") application to undertake a substantial facilities expansion at its main campus located at 759 Chestnut Street, Springfield, MA 01199. The project, as proposed, involves construction of a seven story addition to the existing hospital encompassing 599,100 gross square feet ("GSF") of new construction and 42,150 GSF of renovations. The project scope includes the addition of 48 beds - 18 adult medical/surgical and 30 adult critical care beds to its licensed bed capacity, replacement of 78 existing adult medical/surgical beds, replacement and expansion of heart and vascular procedure areas, renovation of vacated space vacated and reuse for administrative and other non-clinical support functions, and construction of 295,800 GSF of shell space capable of accommodating up to 158 additional beds, a surgical suite, emergency department, and other clinical and support services.
2. Baystate has engaged in a very satisfactory health planning process.
3. An increase of 48 beds to Baystate's licensed adult medical/surgical bed capacity is reasonable.
4. The project meets the health care requirements of the DoN Regulations.
5. The project, with adherence to a certain condition, meets the operational objectives requirements of the DoN Regulations.
6. The project, with adherence to a certain condition, meets the compliance standards of the DoN Regulations.
7. The proposed maximum capital expenditure of \$239,318,527 (March 2007 dollars) is reasonable compared to similar, previously approved projects.

8. The proposed incremental operating costs of \$72,502,095 (March 2007 dollars) are reasonable compared to similar, previously approved projects.
9. The project is financially feasible and within the financial capability of the Applicant.
10. The project is superior to other potential alternatives for achieving the Applicant's objectives.
11. The proposed community health initiatives, with adherence to a certain condition, are in conformance with Factor 9 of the DoN Regulations.
12. The New North Citizens Council Ten Taxpayer Group submitted written comments in support of the proposed project.
13. The Sisters of Providence Health System Ten Taxpayer Group submitted written comments in opposition to the proposed project.

V. STAFF RECOMMENDATION

Based on the above analysis and findings, Staff recommends approval with conditions of Project Number 1-3B36 filed by Baystate Medical Center, Inc. The approval includes 599,100 GSF of new construction, and 42,150 GSF of renovation. The recommended conditions are listed below. Failure of the Applicant to comply with the conditions may result in Department sanctions, including possible fines and/or revocation of the DoN.

1. Baystate shall accept the maximum capital expenditure of \$239,318,527 (March 2007 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.
2. Baystate shall contribute \$39,318,527 (March, 2007 dollars), or 16.4% in equity of the final approved maximum capital expenditure.
3. Baystate shall enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services:
 - (a) Policies and procedures that are consistent across all affiliated hospitals and clinical sites operating under the license of Bay State Medical Center;
 - (b) Policies and procedures that discourage the use of family members/friends as interpreters;
 - (c) Translation procedures and guidance for developing timely, accurate, competent, and culturally appropriate patient educational materials and forms;
 - (d) Signage posted at all points of contact and public points of entry informing patients of the availability of interpreter services at no charge;
 - (e) Ongoing training for all hospital staff on the appropriate use of interpreter services, inclusive of telephonic services;
 - (f) Inclusion of the Interpreter Services Manager in all decisions that impact people with LEP; and
 - (g) Adherence to recommended National Standards for Culturally and Linguistically Appropriate Services ("CLAS") in Health Care (materials available online at <http://www.omhrc.gov/templates/browse.aspx?lv=2&lvID=15>).

In addition, Baystate shall submit the following items to OMH:

- (h) Annual language needs assessment external and internal sources of data;
- (i) Plan for the inclusion of LEP patients in all satisfaction surveys;
- (j) Plan for how it will use the data collected on race and ethnicity to address racial and ethnic health disparities;
- (k) Plan for outreach to LEP community members and agencies identified in its service area informing them of the availability and provision of interpreter services at no cost.

- (l) Plan for improvement addressing the above within 60 days of DoN's approval to the Office of Multicultural Health;
- (m) Annual Progress Reports to the Office of Multicultural Health 45 days after the end of the federal fiscal year; and
- (n) Notification to OMH of any substantial changes to its Interpreter Services Program.

4. Baystate shall provide a total of \$9,600,000 over a seven (7) year period or \$1,371,428 per year, with payment beginning within thirty (30) days following DoN approval to fund the following community health service initiatives:

- (a) Frances Hubbard Social Change Grant Program (\$350,000): The Applicant will provide to a fiscal agent a total of, awarded over a seven (7) year period at \$50,000 per year to the Community Health Network Agency- 4 ("CHNA #4) for the purpose of creating and funding the "Frances Hubbard Social Change Grant Program" to address key public health priorities of CHNA #4 and to provide funding for paid staffing of the CHNA; or any other activities in which the CHNA may wish to engage in. The CHNA will establish in collaboration with the OHC, the criteria and process for determining key health priorities which require funding, including selection of a review committee. Each program that receives funding to achieve the identified priorities will be required to conduct and report an annual evaluation. The CHNA will annually submit to the OCH a summary report of programs funded, outcome and budgets. The CHNA and the OHC may re-assess need and funding priorities periodically; and
- (b) North End Community Housing Initiative (\$700,000): The New North Citizens Council has over thirty years experience in the Springfield community as a community-based family service agency that provides specialty services to low income families who are predominantly Latino. Its mission is to provide human services, educational supports and broad based advocacy coupled with civic engagement that enhances residents' quality of life. To assist in its mission of providing assistance to low income families and improving the health of the community, the Applicant shall contribute a total of \$700,000 to the Council over a seven (7) year basis at \$100,000 per year for the purpose of funding the start up and ongoing operating costs of the newly incorporated "North End Community Housing Initiative". The goal of the initiative is to increase the quantity, quality and healthfulness of affordable single and duplex family housing in North End neighborhoods. In addition, a portion of the funding may be used to leverage additional funds to write grants for projects that will assist the North End Community Housing Initiative in achieving its mission. With the collaboration of the Applicant, the Council will create a specific board and process to evaluate a final plan for making funding decisions. A final plan for making funding decisions will be shared with the Office of Healthy Communities and any other review, re-assessment or adjustment. A periodic review will also be conducted and information obtained will be used for re-assessment and periodic adjustments to ensure that the funding is best used to facilitate the goals of the initiative; and
- (c) The Baystate Health North End Community Center Project (\$3,950,000): Springfield's North End neighborhood includes the poorest census tract in Massachusetts. To address the health and education needs of the children, youth and seniors who reside in this area, \$564,286 a year, over a seven (7) year period for a total of \$3,950,000 shall be awarded to the New North Citizens Council, Inc. in support of "The North End Community Center Project". The Center's services and programs are to be located, primarily, in the community spaces contiguous to the public right-of-way that bi-sects the interior of the German Gereon Community School. The funds shall be targeted to address health education and prevention, priorities to be established with input from the community and the DON applicant and will include a number of the following: STD prevention, teenage pregnancy prevention, nutrition and weight loss, recreational sports, dance and other activities that promote physical fitness, asthma education and prevention services, violence prevention and academic supports and mentoring; however, not less than \$171,428 shall be awarded annually to the North End Outreach Network for the provision of population based outreach and supports to residents of the North End. All services and programs will contain a youth leadership development component focused on the creation and empowerment of the next generation of young Springfield leaders; it is expected that a portion of services will be sub-contracted out to other community based organizations through a request for proposals to implement programs to address the target areas. Criteria and processes for independent proposal review will be established in consultation with the OHC. Selection of proposals for implementation will be made in collaboration with the DON applicant, key community

stakeholders that comprise the Campus Center Committee and it is anticipated that the Brightwood Community Health Center's medical director and City of Springfield's Director of Public Health will be primary consultants on the development of all health related services and programs. Once selected, each program will be required to conduct an annual evaluation and provide a report to the Council. The information from these annual reports may be used by the Council to re-assess need and funding priorities periodically and reissue RFP's accordingly and this information will be shared with the OHC ; and

- (d) The Baystate Health-Greater Mason Square Community Centers Project (\$3,150,000): The Applicant will contribute \$450,000 a year over a seven (7) year period for a total of \$3,150,000 to the Dunbar Community Center to assist the greater Mason Square neighborhoods in addressing the health education needs of the children, youth and seniors who reside in this area. The funds shall be targeted to address health education and prevention, priorities to be established with input from the greater Mason Square community and the DON applicant and will include a number of the following: STD prevention, teenage pregnancy prevention; nutrition and weight loss, recreational sports, dance and other activities that promote physical fitness, asthma education and prevention, violence prevention and academic supports and mentoring; however, not less than \$50,000 shall be awarded annually to the lead community based nonprofit agency partnering with the City of Springfield's homelessness initiative. Criteria and processes for independent proposal review will be established. Selection of proposals for implementation will be made in collaboration with the DON applicant and the OHC, key community stakeholders from the greater Mason square community. The Baystate Health Mason Square Community Health Center's Medical Director and City of Springfield's Director of Public Health will be primary consultants on the development of all health related services and programs. All services and programs will contain a youth leadership development component focused on the creation and empowerment of the next generation of young Springfield leaders; it is expected that a portion of the services will be sub-contracted out to the Martin Luther King Jr. Community Center and that the Mason Square Community Health Center's medical director will be a primary consultant on the development of all health related services and programs; and
- (e) The Baystate Health Care Careers Forgivable Loan Program (\$700,000): To address the racial and ethnic disparities in the composition of Springfield's health care workforce to help retain residents in the community, and to provide low income graduating Springfield public school students the opportunity to attend college and become employed in under-represented clinical health care professions the applicant will provide a total of \$700,000 awarded over a seven (7) year period, \$100,000 per year, for the purpose of awarding, not less than 20 or more than 40, forgivable loans per year to students who graduate from the Baystate Health-Springfield Public School Education Partnership (BSEP); and who are accepted into and enrolled in a health care major at one of the following accredited higher education institutions: Springfield Technical Community College, Holyoke Community College, Greenfield Community College, Westfield State College, American International College, Springfield College, the Elms College, Western New England College and the University of Massachusetts Amherst; and who agree to seek employment, upon graduation and successful professional licensure or certification, if required, at Baystate Medical Center or one of its Springfield affiliates. Furthermore, the Applicant will take the appropriate steps necessary to ensure that effective outreach is performed to reach target populations. The Applicant will establish a review process to select candidates to be recipients of the grants; and
- (f) Reserve for Special Initiatives and Sponsorships (\$700,000): The Applicant will designate an individual from the hospital to administer a total of \$700,000, awarded over a seven (7) year period at \$100,000 per year, to support emerging community requests that seek to improve the health of the community and its residents.
- (g) Evaluation (\$50,000) Because most of the funded programs discussed will be required to conduct periodic evaluations, the Applicant will provide a total of \$50,000 awarded over a seven (7) year period to adequately fund such evaluations.

Baystate shall submit an annual report to the OHC and shall hold a yearly community-wide summit in which all recipients of funds will highlight their programs and report all outcomes.

ATTACHMENT 5B:
MINOR AMENDMENT 1-3B36.1 (APPROVED 08/11/2009)



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Determination of Need Program
2 Boylston Street, Boston, MA 02116
(617) 753-7340
FAX (617) 753-7349

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD
SECRETARY

JOHN AUERBACH
COMMISSIONER

August 11, 2009

Andrew S. Levine
Donoghue Barrett & Singal, P.C.
One Beacon Street, Suite 1329
Boston, MA 02108

Re: Approved DoN Project No. 1-3B36
Baystate Medical Center, Inc.
Request for Minor Changes

Dear Mr. Levine:

This is in response to your letter dated July 10, 2009, requesting on behalf of Baystate Medical Center, Inc., (the "Hospital") minor changes to DoN approved but not yet implemented Project No. 1-3B36 referenced above. The refinements to the original design for the Project necessitate a change in the total Gross Square Feet ("GSF") approved from 641,250 to 630,504 GSF, a decrease of 1.7%. Specifically, the renovation GSF required has increased, while the GSF for new construction has decreased, resulting in a decrease in total Project GSF. The decrease in the new construction does not change the GSF that will be built-out by the Applicant, but does reduce the shell space associated with the Project. These changes result in a decrease in the total GSF required for the Project.

The Hospital is not requesting a change in the approved MCE of \$239,318,527 (March 2007 dollars) at this time. There are no changes in the number of replacement or new beds approved for the Project, nor are there any material programmatic changes proposed. This minor change is required to conform the Project as approved with the actual construction documents that were developed for the Project.

The Applicant requests a decrease in the approved new construction GSF from 599,100 GSF to 585,604 GSF, which is a 2.3% reduction. Of the total GSF of new construction now requested for the Project, new construction for built-out or fit-out space will remain unchanged from 303,300 GSF approved in the DoN. As a result of design improvements and program modifications, the approved shell space of 295,800 GSF will decrease to 282,304 GSF. This is a 4.6% reduction in the approved shell space.

The Applicant requests an increase in the GSF of the approved renovation space from 42,150 GSF to 44,900 GSF. This 6.5% increase in the total GSF of renovations is necessary to accommodate changes related to the optimal connection between the existing hospital and the

new addition. In addition, this increase also includes additional GSF for the Main Lobby renovation in order to facilitate travel to the new addition.

Pursuant to 105 CMR 100.752 of the Determination of Need Regulations, I hereby approve the minor changes to Project No. 1-3B36 as requested for the following reasons:

1. All criteria set forth in 105 CMR 100.755 of the Determination of Need Regulations have been satisfied.
2. The approved GSF for renovation will be 44,900, the approved GSF for new construction will be 585,604 and the total GSF for the project will be 630,504.

Please note that all terms and conditions attached to the original approval of Determination of Need Project No. 1-3B36 shall remain in effect.

Sincerely,



Joan Gorga
Director
Determination of Need Program

JMG/jmg

cc: Sherman Lohnes, DHCQ
Public File
Compliance File
MIS

ATTACHMENT 5C:
MINOR AMENDMENT 1-3B36.2 (APPROVED 11/18/2009)



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Determination of Need Program
99 Chauncy Street, 2nd Floor, Boston, MA 02111
(617) 753-7340
FAX (617) 753-7349

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD
SECRETARY

JOHN AUERBACH
COMMISSIONER

November 18, 2009

Andrew S. Levine
Donoghue Barrett & Singal, P.C.
One Beacon Street, Suite 1329
Boston, MA 02108

Re: Approved DoN Project No. 1-3B36
Baystate Medical Center, Inc.
Request for Minor Changes

Dear Mr. Levine:

This is in response to your letter dated October 22, 2009, requesting on behalf of Baystate Medical Center, Inc., (the "Applicant") minor changes to DoN approved but not yet implemented Project No. 1-3B36 referenced above. A change related to the Applicant's financial circumstances and related financial planning necessitates changes in the total GSF which, along with the total new construction including shell space and the renovated space, was changed as a result of a minor amendment in August 2009. The present request for a minor change effectively reverses the changes made as a result of the August 2009 minor amendment including the restoration of two floors of shell space eliminated at that time.

The Applicant is not requesting a change in the approved MCE of \$238,318,527 (March 2007 dollars) at this time as the changes are within the approved MCE adjusted for inflation. There are no changes in the number of replacement or new beds approved for the Project, nor are there any material programmatic changes proposed. Lastly, there are no changes to the GSF approved for build-out.

Refinements to the amended design for the Project necessitate a change in the total approved Gross Square Feet ("GSF") from 630,504 GSF to 686,086 GSF, an increase of 8.8% or 55,582 GSF from the August 2009 approved amendment. The 686,086 GSF includes 641,186 GSF of new construction, an increase of 9.5% over the new construction in the August 2009 amendment which eliminated the two floors of shell space, and 44,900 GSF of renovated space which is unchanged from the renovated space granted in the amendment. The 641,186 GSF of new construction includes 303,300 GSF for built out space which is consistent with the amendment and the original DoN. The increase in new construction relates to the approved shell space.

The new construction for the shell space is 337,886 GSF which is an increase of 42,086 GSF over the original shell space approved in the original DoN. The increase is a result of

project changes including a roofed enclosure over the emergency generator, changes in electrical code requirements resulting in a need for additional space for electrical conduits and design modifications as a result of the change in the building footprint to achieve more economical construction. Lastly, the Applicant has restored two floors of shell space on one side of the building, which was eliminated in its minor amendment in August, 2009.

The request arises from the fact that the applicant has learned that as a result of certain financing changes and related financial market opportunities it is feasible to pursue the full scope of the project as originally approved. The enhanced financing plan is consistent with the terms of the DoN approval. It will not result in borrowing in excess of the limit permitted under the DoN approval and the equity contribution will be in excess of the DoN approval's minimum.

Pursuant to 105 CMR 100.752 of the Determination of Need Regulations, I hereby approve the minor changes to Project No. 1-3B36 as requested for the following reasons:

1. All criteria set forth in 105 CMR 100.755 of the Determination of Need Regulations have been satisfied.
2. The approved GSF for renovation will be 44,900, the approved GSF for new construction will be 641,186, with 337,886 consisting of shell space and 303,300 for build-out, and the total GSF for the project will be 686,086.

Please note that all terms and conditions attached to the original approval of Determination of Need Project No. 1-3B36 shall remain in effect.

Sincerely,



Joan Gorga
Director
Determination of Need Program

JMG/jmg

cc: Sherman Lohnes, DHCC
Public File
Compliance File
MIS

ATTACHMENT 5D:
SIGNIFICANT AMENDMENT 1-3B36.3 (APPROVED 02/28/2011)



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Determination of Need Program
99 Chauncy Street, 2nd Floor, Boston, MA 02111
617-753-7340
FAX 617-753-7349

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD
SECRETARY

JOHN AUERBACH
COMMISSIONER

February 28, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Andrew S. Levine, Esq.
Donoghue Barrett & Singal, P.C.
One Beacon Street, Suite 1320
Boston, MA 02108

NOTICE OF PUBLIC HEALTH COUNCIL ACTION
PREVIOUSLY APPROVED DoN No. 1-3B36
Baystate Medical Center, Inc.
Request for Significant Changes

Dear Mr. Levine:

At their meeting of February 9, 2011, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L., c. 111, § 25C and the regulations adopted thereunder to approve with conditions significant changes to the approved but not yet implemented Project No. 1-3B36 of Baystate Medical Center, Inc. ("Baystate"). The changes include increasing the approved Gross Square Feet ("GSF") by 6,190 GSF, comprised of 4,074 GSF of renovation and 2,116 of new construction, from 686,086 GSF to 692,276 GSF and the maximum capital expenditure ("MCE") from the inflation-adjusted MCE of \$274,076,233 (November 2010 dollars) to \$314,083,474 (November 2010 dollars). Baystate Medical Center, Inc. will also build out 76,441 GSF of the approved 337,886 GSF of shell space reserving the remaining 261,445 GSF of the shell space for future use. Baystate has agreed to provide an additional \$2,000,362 in community health initiatives for programs that address regional and local priorities.

The \$ 314,083,474 (November 2010 dollars) MCE is itemized as follows:

	New Construction	Renovation
Land Costs:		
Site Survey and Soil Investigation	\$ 44,259	
Other Non-depreciable Land Development Costs	<u>\$ 2,090,542</u>	
Total Land Costs	\$ 2,134,801	
Construction costs		
Depreciable Land Development	\$ 3,086,910	
Construction Contract (including bonding contract)	\$ 195,759,023	\$ 965,319
Fixed Equipment	\$ 7,377,641	
Architectural & Engineering Costs	\$ 16,273,099	\$ 77,531
Pre-filing Planning & Development Costs	\$ 691,456	\$ 2,633
Post-filing Planning & Development	\$ 3,236,330	\$ 5,627
Other - IS, signage, furniture and artwork	\$ 35,698,306	\$ 89,181
Net Interest Expense During Construction	\$ 14,280,000	
Major Movable Equipment	<u>\$ 30,580,617</u>	
Total Construction Costs	\$ 306,983,382	\$ 1,140,291
Financing Costs:		
Costs of Securing Financing	<u>\$ 3,810,525</u>	<u>\$ 14,475</u>
Total Financing costs	<u>\$ 3,810,525</u>	<u>\$ 14,475</u>
Maximum Capital Expenditure	\$ 312,928,708	\$ 1,154,766
Total Maximum Capital Expenditure	\$314,083,474	

The conditions accompanying this approval are as follows:

1. The total gross square feet (GSF) for this project shall be a total of 692,276 GSF: 643,302 GSF for new construction and 48,974 GSF for renovation. Approved GSF for built-out new construction is 381,857 and remaining shell space GSF is 261,445.
2. Baystate Medical Center, Inc. shall provide an additional \$2,000,362 in community initiatives based on the increase in the Maximum Capital Expenditure as described in the request for significant change. The community initiatives will fund programs that address local and regional health priorities in areas of need as assessed by the Office of Healthy Communities. Specific initiatives will be developed collaboratively by the Office of Healthy Communities and Baystate Medical Center, Inc. (within a reasonable time frame not to exceed three months) and may include mini grants, community capacity building, training and evaluation.

3. All other conditions attached to the original and amended approval of this project shall remain in effect.

FOR THE PUBLIC HEALTH COUNCIL

Linda M. Hopkins

Linda M. Hopkins
Secretary to the Council

cc: Steve McCabe, DHCFP
Sherman Lohnes, Division of Health Care Quality
Paul DiNatale, Division of Health Care Quality
Cathy O'Connor, Office of Healthy Communities
Public File
Compliance file
Decision Letter File
MIS

ATTACHMENT 5E:
SIGNIFICANT AMENDMENT 1-3B36.4 (APPROVED 09/19/2012)



DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD
SECRETARY

JOHN AUERBACH
COMMISSIONER

The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Bureau of Health Care Safety and Quality
Determination of Need Program
99 Chauncy Street, Boston, MA 02111
617-753-7340

September 19, 2012

NOTICE OF PUBLIC HEALTH COUNCIL ACTION
PREVIOUSLY APPROVED DON #1-3B36
Baystate Medical Center, Inc.
Request for Significant Change

Andrew S. Levine, Esq.
Donoghue, Barrett & Singal, P.C.
One Beacon Street, Suite 1320
Boston, MA 02108

Dear Mr. Levine:

At their meeting of September 19, 2012, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c. 111, § 25C and the regulations adopted thereunder, to approve with conditions a significant change to the approved but not yet implemented Project Number 1-3B36 of Baystate Medical Center, Inc. ("Baystate"). The change includes the build-out of 80,116 gross square feet ("GSF") of approved shell space to accommodate the replacement of 96 adult medical/surgical beds and other support services at the Baystate main campus located at 759 Chestnut Street, Springfield MA 01199.

The total gross square feet for this project shall be a total of 692,276 GSF, consisting of 643,302 GSF of new construction and 48,974 GSF of renovation. As amended, the approved and built-out new construction shall be 461,973 GSF and the total remaining shell space shall be 181,329 GSF.

The approved change also includes an adjustment to the maximum capital expenditure ("MCE") of the project. As amended, the MCE shall be \$359,423,474 (June 2012 dollars), itemized as follows:

	New Construction	Renovation	Total
<u>Land Costs:</u>			
Site Survey and Soil Investigation	\$44,259		\$44,259
Other Non-depreciable Land Development Costs	<u>2,090,542</u>		<u>2,090,542</u>
<u>Total Land Costs</u>	\$2,134,801		\$2,134,801
<u>Construction Costs:</u>			
Depreciable Land Development	3,086,910		3,086,910
Construction Contract (including bonding)	227,119,926	965,319	228,085,245
Fixed Equipment	7,377,641		7,377,641
Architectural & Engineering Costs	19,022,726	77,531	19,100,257
Pre-filing Planning & Development Costs	791,456	2,633	794,089
Post filing plan and development	3,936,330	5,627	3,941,957
Other - IS, signage, furniture and artwork	38,679,276	89,181	38,768,457
Net Interest Expense During Construction	16,080,000		16,080,000
Major Movable Equipment	<u>35,689,117</u>	<u>0</u>	<u>35,689,117</u>
<u>Total Construction Costs</u>	\$351,783,382	\$1,140,291	\$352,923,673
<u>Financing Costs:</u>			
Costs of Securing Financing	4,350,525	14,475	4,365,000
<u>Total Financing costs</u>	<u>4,350,525</u>	<u>14,475</u>	<u>4,365,000</u>
Total Estimated MCE	\$358,268,708	\$1,154,766	\$359,423,474

The conditions accompanying this approval are as follows:

1. The approved gross square feet for this project shall be a total of 692,276 GSF, consisting of 643,302 GSF of new construction and 48,974 GSF of renovation. Approved GSF for built-out new construction shall be 461,973 and remaining shell space shall be 181,329 GSF.
2. Baystate Medical Center, Inc. shall contribute an additional \$1,202,257 in funding for community health initiatives and shall comply with the Office of Healthy Communities requirements as described in Attachment 1.
3. All other conditions attached to the original and amended approvals of this project shall remain in effect.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

cc: Steve McCabe, DHCFP
Sherman Lohnes, DHCQ
Paul DiNatale, DHCQ
Daniel Gent, DHCQ
Cathy O'Connor, OHC

ATTACHMENT 5F:
SIGNIFICANT AMENDMENT 1-3B36.5 (APPROVED 08/14/2014)



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5690
www.mass.gov/dph/don

August 14, 2014

VIA EMAIL

NOTICE OF PUBLIC HEALTH COUNCIL
ACTION
PREVIOUSLY APPROVED
DON #1-3B36
Baystate Medical Center, Inc.
Request for Significant Change

Andrew S. Levine, Esq.
Donoghue, Barrett & Singal, P.C.
One Beacon Street, Suite 1320
Boston, MA 02108
alevinc@dbslawfirm.com

Dear Mr. Levine:

At their meeting of August 13, 2014, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c. 111, § 25C and the regulations adopted thereunder, to approve with conditions a significant change to the approved but not yet completely implemented Project Number 1-3B36 of Baystate Medical Center, Inc. ("Baystate"). The change includes the build-out of 13,643 gross square feet ("GSF") of approved shell space to accommodate replacement of the inpatient pharmacy and 4,961 GSF of renovations to convert the existing pharmacy space to administrative office functions at the Baystate main campus located at 759 Chestnut Street, Springfield MA 01199.

The total approved gross square feet for this project of 692,276 GSF, consisting of 643,302 GSF of new construction and 48,974 GSF of renovation shall be unchanged as a result of this significant change. As amended, the approved and built-out new construction shall be 475,616 GSF and the total remaining shell space shall be 167,686 GSF.

As amended, the total maximum capital expenditure ("MCE") of this project shall be \$366,266,390 (April 2014 dollars). The amount of capital expenditure associated with the approval of this significant change shall be \$6,842,918 (April 2014 dollars), itemized as follows:

	New Construction	Renovation	Total
Construction Contract (including bonding contract)	\$5,166,000	\$39,192	\$5,205,192
Architectural & Engineering Costs	227,000	3,148	230,148
Other – IT, security, etc.	545,760	0	545,760
Net Interest Expense During Construction	<u>831,816</u>	<u>0</u>	831,816
<u>Total Construction Costs</u>	\$6,770,576	\$42,340	\$6,812,916
Costs of Securing Financing	<u>30,000</u>	0	30,000
Total Financing costs	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Total Estimated MCE	\$6,800,578	\$42,340	\$6,842,918

The conditions accompanying this approval are as follows:

1. The total gross square feet for this project shall be a total of 692,276 GSF, consisting of 643,302 GSF of new construction and 48,974 GSF of renovation. Approved square footage for built-out new construction shall be 475,616 and remaining shell space shall be 167,686 GSF.
2. Baystate Medical Center, Inc. shall contribute an additional \$342,146, five percent of the requested increase in MCE of \$6,842,916, in funding for community health initiatives for a revised total associated with this project of \$13,144,765. This funding will be allocated over five years. Specific initiatives will be developed collaboratively by the Office of Community Health Planning, designated planning partners and Baystate within three months of PHC approval and funding will begin no later than February 15, 2015.
3. All other conditions attached to the original and amended approvals of this project shall remain in effect.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

/bp

cc: Mary Byrnes, CHIA
Sherman Lohnes, BHCSQ
Paul DiNatale, BHCSQ
Daniel Gent, BHCSQ
Cathy O'Connor, OCHP

ATTACHMENT 5G:
SIGNIFICANT AMENDMENT 1-3B36.6 (APPROVED 01/26/2017)



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

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

Tel: 617-624-6000
www.mass.gov/dph

January 26, 2017

VIA EMAIL: nedwards@dbslawfirm.com

Nina Edwards, Esq.
One Beacon Street, Suite 1320
Boston, MA, 02108

RE: Notice of Determination of Need
Baystate Medical Center
Significant Change
Project Number 1 - 3B36.6

Dear Ms. Edwards:

At their meeting of January 11, 2017 the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c.111, §51 and the regulations adopted thereunder, to approve with conditions the Determination of Need application amendment filed by Baystate Medical Center ("Applicant") with respect to a significant change to approved DoN Project No. 1-3B36 in connection with the build out of 11,133 GSF of shell space, and 6,358 GSF of renovation.

This Notice of Determination of Need incorporates by reference the Staff Summary and the Public Health Council proceedings concerning this application.

The approved change also included an increase in the maximum capital expenditure \$7,254,000 from \$366,266,390 (April 2014 dollars) to \$373,520,390 (October 2016 dollars), as detailed in the Staff Summary.

This application was reviewed pursuant to M.G.L. c. 111, § 25C and the regulatory provisions of 105 CMR 100.011 et seq. In its review, Staff found that the Applicant satisfied the standards applied under 105 CMR 100.533, subject to conditions outlined below, in addition to the terms and conditions set forth in 105 CMR 100.551.

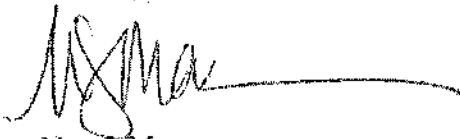
The conditions of approval are as follows:

1. The approved MCE of the project as amended shall be \$7,254,000 (October 2016 dollars);
2. The Applicant shall contribute an additional \$362,700 to the \$9,600,000 associated with the project as originally approved in 2007 and subsequently amended in 2009, 2011, 2012 and 2014. The revised total contribution represents 5% of the maximum capital expenditure as amended, to

fund community health services initiatives as described in the document prepared by OCHPE which is attached hereto and incorporated herein. (Attachment 1)

3. The Applicant shall continue to provide language access services at the Baystate Medical Center with the improvements described in the document prepared by the Office of Health Equity ("OHE"), as amended from time to time by agreement of the Applicant and OHE, which is attached hereto as Attachment 2 and is incorporated herein by reference.
4. All other conditions attached to the original and amended approval of this project shall remain in effect.

Sincerely,



Nora J. Mann
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

ATTACHMENT 5H:
SIGNIFICANT AMENDMENT 1-3B36.7 / APP # BH-18073108-AM
(APPROVED 11/14/2018)



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

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

Tel: 617-624-6000
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November 14, 2018

VIA EMAIL nedwards@barrettsingal.com

Nina Edwards, Esq.
One Beacon Street, Suite 1320
Boston, MA, 02108

RE: Notice of Determination of Need
Baystate Medical Center
Significant Change
Project Number 3B36.7

Dear Ms. Edwards:

At their meeting of November 14, 2018, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to 105 C.M.R. 100.635(A)(3) to approve the request by Baystate Medical Center (Baystate or Holder) in Springfield MA, for a Significant Change to its previously approved DoN Project; specifically with respect to consolidation of the Heart and Vascular Service through a build-out of shell space in Baystate's DoN approved seven-story addition (Addition) at 759 Chestnut Street, in Springfield. This approval incorporates the Memorandum to the Public Health Council (Memorandum) and the Public Health Council proceedings concerning this Request.

Based upon a review of the materials submitted the Department found that this Request falls within the definition of Significant Change that includes "... Any build out of shell space that was subject to a Notice of Determination of Need" and that the proposed change is both within the scope of the Notice of Determination of Need and is reasonable.

Under 100.635(a)(3)"... Final Actions may include additional terms and Conditions to be attached to the Notice of Determination of Need." This approval is conditioned as described in the Memorandum, a copy of which is attached hereto and made a part hereof.

Sincerely,

~S~

Nora J. Mann
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

Memorandum to the Public Health Council

APPLICANT: Baystate Medical Center
759 Chestnut Street
Springfield, MA 01199

PROJECT NUMBER: 1-3B36.7 (Significant Change)
BH-18073108-AM

DATE OF APPLICATION: July 31, 2018

Introduction

This memorandum presents, for Public Health Council (PHC) action, the Determination of Need (DoN) Program's recommendation in connection with a request by Baystate Medical Center (Baystate or Holder) in Springfield MA, for a Significant Change to its previously approved DoN Project. As proposed, Baystate seeks approval to consolidate the Heart and Vascular Service (the Service) through a build-out of shell space in its DoN approved seven-story addition (Addition) at 759 Chestnut Street, in Springfield. The proposed project would generate an incremental increase in the maximum capital expenditure of \$37,605,439 (July 2018 dollars), and the community health initiatives (CHI) contribution will increase by \$1,880,271.95.

This request falls within the definition for Significant Change that includes "... Any build out of shell space that was subject to a Notice of Determination of Need" and will be reviewed pursuant to 105 C.M.R. 100.635(A)(3), which requires that the proposed change falls within the scope of the Notice of Determination of Need and is reasonable. The Department has received no public comment on this request for Significant Change.

Background

Baystate is a licensed 716-bed academic medical center that operates the only Level 1 Trauma Center and the only Pediatric Trauma Center in western Massachusetts. In November 2007, the Department approved a DoN at Baystate for construction of an Addition at 759 Chestnut Street in Springfield, MA - what they called the "Hospital of the Future". As part of Baystate's long-term strategic plan, the approved Addition included 295,800 gross square feet (GSF) of shell space to afford design flexibility for future patient panel needs over a period of 15 to 20 years. Since 2007, six amendments have been approved by the Department, each authorizing build-outs designed to meet identified service needs of the Baystate patient panel. The chart below provides the sequence of the previous amendments including the increases in MCE and build-out GSF with this Proposed Project at the bottom. A brief summary of each amendment is in Attachment 1. Approval of this project would leave the amount of remaining shell space at 133,913 GSF.

	Approval Date	Total GSF	Approved Gross Square Footage ("GSF")			Approved MCE
			New Const GSF (without shell)	Shell Space GSF	Renovation GSF	
DoN #1-3B36	11/2007	641,250	303,300	295,800	42,150	\$239,318,527
Amendment 1	08/2009	630,504	303,300	282,304	44,900	\$239,318,527
Amendment 2	11/2009	686,086	303,300	337,886	44,900	\$239,318,527
Amendment 3	02/2011	692,276	381,857	261,445	48,974	\$314,083,474
Amendment 4	09/2012	692,276	461,973	181,329	48,974	\$359,423,474
Amendment 5	08/2014	692,276	475,616	167,686	48,974	\$366,266,390
Amendment 6	01/2017	698,634	486,749	156,553	55,332	\$373,520,390
Proposed Project		703,560	509,389	133,913	60,258	\$411,125,829

Proposed Amendment: To relocate Heart and Vascular Services to existing Shell Space.

The Holder is seeking authorization to build-out 22,640 GSF of approved shell space to relocate, replace and consolidate the Heart and Vascular Service (the Service). The Service includes: a four-room cardiac catheterization laboratory; two-room electrophysiology laboratory (collectively, the Labs); one operating room (OR); 15 bays in pre/post operation rooms; and associated support space, including: rest rooms, storage, waiting, staff and mechanical areas (collectively, the Proposed Project). The Proposed Project also contemplates replacement of all of the aging equipment that needs to be replaced. Currently, some of the Service is located in the adjacent Daly Building and other parts of the Service are on two floors of 759 Chestnut Street. As proposed, and if approved, this amendment will result in a one-for-one replacement of these functional areas on a single floor of 759 Chestnut Street, without any increase in the number of procedure or operating rooms.

Baystate states that consolidation of the Heart and Vascular Service is included in its long-term Master Plan and in the original DoN application. Baystate asserts that existing specialized electrophysiology and cardiac catheterization equipment is at the end of its useful life; and that the replacement equipment is more efficient allowing more patients to be served within each diagnostic/treatment laboratory. Baystate asserts the existing areas are undersized; lack a sufficient number of pre- and post- operative bays and storage; and are inefficient to operate. The Proposed Project provides for more square footage to meet updated building requirements, and will provide a shared patient waiting room, support areas, an elevator and other mechanical elements.

Baystate asserts that co-locating the waiting room and the pre- and post-operative areas for the two Labs will enable greater flexibility and efficiency of space utilization and staffing. Baystate further argues that integrating all heart and vascular sub-specialties will facilitate the delivery of interdisciplinary care, improve communications among clinicians, and result in more timely transitions of patients to proximate ORs and other components of the Service. Baystate argues that consolidating all of the elements of the Service will improve convenience,

coordination and continuity of care for patients within its patient panel and patient service area.

As the only tertiary referral center within Western Massachusetts, approval of the Proposed Project will allow Baystate to accommodate what it describes as continued and steady demand for the Heart and Vascular Service. Baystate argues that the demand is a result of the increased incidence of cardio-vascular disease due to the aging population. Cardiovascular disease is the second leading cause of death after cancer in Massachusetts¹ and in 2015 the 65+ age cohort grew to 16% of the population in Massachusetts.

Impact on Costs

The regulation requires that a Holder submit a description of the proposed change along with any cost implications. In that context, with this Proposed Project, Baystate seeks to increase its capital expenditures to a total of \$411,125,829 (July 2018 dollars) for the construction necessary to facilitate the final implementation of the Service. The majority of this seventh Amendment is for build out of space used for complex infrastructure and procedure rooms. The technical infrastructure requirements² carry a higher cost per square foot than, for example, medical/surgical patient rooms. The holder states that the cost is less than for renovating the existing space to the same standards. Baystate estimates the additional depreciation expense related to this project is at \$4,950,963 annually, which it states has a minor incremental impact relative to the Holder's total depreciation and interest expenses. The consolidation of all functions related to the Service will be more cost effective to operate. Baystate asserts that any increase in operating costs will largely be a function of incremental supply costs related to the projected increase in procedure volume.

Impact on Community Health Initiative Funding

The Applicant applied for and received approval for DoN# BH-18010311-HS in May 2018. As part of that project the applicant completed all required CHI application components. For this reason, DPH determined that because the Applicant has within a year's time already receive a Notice of Determination of Need and there has been no intervening and new community health needs assessment since that initial application, the Department would not require submission of new Self-Assessment or Stakeholder Assessment forms. DPH did require the completion of a Community Engagement Plan describing the following major components (based on findings from the review of materials for DoN# BH-18010311-HS):

- How CHI related community engagement and decision making would fit with the 2019 Coalition of Western Massachusetts joint CHNA/CHIP.

¹ Page 250, <https://www.mass.gov/files/documents/2017/10/04/MDPH%202017%20SHA%20Chapter%208.pdf>

² Related to life/safety, electrical, plumbing, HVAC components. Additionally an elevator is being added.

- How CHI resources would be split across the (4 hospital) Baystate Health System and how advisory committees will be used for implementing community engagement activities and health priority strategies.

The Applicant did submit a Community Engagement Plan (Attachment 2) as well as a proposed budget and timeline of activities post project approval (Attachment3). As noted below, these shall become Conditions to the DoN. The Community Engagement Plan describes how CHI related community engagement and decision-making will be completed in concert with the implementation of the 2019 Coalition of Western Massachusetts joint CHNA/CHIP and that CHI resources will be made available for disbursement through all four (4) hospitals part of the Applicant's system and that are participating in the joint CHNA/CHIP process. Additionally, the Applicant has provided a thorough plan on how allowable administrative resources will be used to reduce barriers for community participation in the CHI process. DPH finds all plans acceptable.

Findings and Recommendation

Based upon the information submitted, the Department can find that the "the proposed change or modification falls within the scope of the Notice of Determination of Need as previously approved by the Department, and ... is reasonable". 105 C.M.R. 100.635(A)(3) which are the requirements for approval of an Amendment.

Under 100.635(a)(3)" ... Final Actions may include additional terms and Conditions to be attached to the Notice of Determination of Need." Staff recommends that the following Standard conditions set out in 105 CMR 100.310 apply to this DoN and all amendments thereto:

105 CMR 100.310(H) The Government Agency license of the Health Care Facility or Health Care Facilities for which, and on behalf of, the Holder possesses a valid Notice of Determination of Need, shall be conditioned with all Standard and Other Conditions attached to the Notice of Determination of Need.

105 CMR 100.310 (K) If the Health Care Facility or Heath Care Facilities for which the Notice of Determination of Need has been issued is eligible, the Holder shall provide written attestation on behalf of the Health Care Facility or Heath Care Facilities, under the pains and penalties of perjury, of participation, or their intent to participate, in MassHealth pursuant to 130 CMR 400.000 through 499.000.

105 CMR 100.310(L) The Holder shall report to the Department, at a minimum on an annual basis, and in a form, manner, and frequency as specified by the Commissioner. At a minimum, said reporting shall include, but not be limited to, the reporting of measures related to the project's achievement of the Determination of Need Factors, as directed by the Department pursuant to 105 CMR 100.210."

105 CMR 100.310(M) If it is determined by the Department that the Holder has failed to sufficiently demonstrate compliance with one or more Conditions, the Holder shall fund projects which address one or more of the Health Priorities set out in Department Guideline, as approved by the Department, which in total, shall equal up to 2.5% of the total Capital Expenditure of the approved project. Said projects shall address one or more of the Health Priorities set out in Department Guideline, and shall be in addition to those projects approved by the Department in fulfillment of 105 CMR 100.210(A)(6). In making such determination, the Department shall provide written notification to the Holder at least 30 days prior to requiring such funding, and shall provide the Holder the opportunity to appear before the Department. The Department shall consider circumstances external to the Holder that may impact the Holder's ability to demonstrate compliance.

105 CMR 100.310(N) The Holder shall provide to Department Staff a plan for approval by the Office of Health Equity for the development and improvement of language access and assistive services provided to individuals with disabilities, non-English speaking, Limited English Proficiency (LEP), and American Sign Language (ASL) patients.

105 CMR 100.310(O) The Holder shall provide for interpreter services to the Holder's Patient Panel. The Holder shall ensure that all medical and non-medical interpreters, inclusive of staff, contractors, and volunteers providing interpreter services to the Holder's Patient Panel maintain current multilingual proficiency and have sufficient relevant training. Training for non-medical interpreters should include, at a minimum:

- (1) The skills and ethics of interpretation; and
- (2) Cultural health beliefs systems and concepts relevant to non-clinical encounters.
- (3) Training for medical interpreters should include, at a minimum:
 - (a) the skills and ethics of interpretation; and
 - (b) multilingual knowledge of specialized terms, including medical terminology, competency in specialized settings, continuing education, and concepts relevant to clinical and non-clinical encounters.

105 CMR 100.310(P) The Holder shall require and arrange for ongoing education and training for administrative, clinical, and support staff in culturally and linguistically appropriate services (CLAS), including, but not limited to, patient cultural and health belief systems and effective utilization of available interpreter services.

105 CMR 100.310(Q) All Standard and Other Conditions attached to the Notice of Determination of Need shall remain in effect for a period of five years following completion of the project for which the Notice of Determination of Need was issued, unless otherwise expressly specified within one or more Condition.

Conditions relative to CHI

1. Of the total required CHI contribution of \$2,900,000, \$725,000 will be directed to the CHI Statewide Initiative and \$2,175,000 will be dedicated to local approaches to the current CHI initiative. The \$2,175,000 includes allowable administrative and evaluation costs per the project budget (Attachment X). The amount of CHI resources split between the Applicant's four (4) hospitals will be determined through the CHI planning process. To comply with the Holder's obligation to contribute to the Statewide CHI Initiative, the Holder must submit a check for \$725,000 to Health Resources in Action (the fiscal agent for the CHI Statewide Initiative). The Holder must submit the funds to HRiA within one month from the date of the Notice of Approval. The Holder must promptly notify DPH (CHI contact staff) when the payment has been made.
2. The Holder will implement the CHI per the plans outlined in the Community Engagement Plan including using the 2019 Coalition of Western Massachusetts joint CHNA/CHIP as the basis for CHI strategy selection (Attachment 2).
3. The Holder will submit to DPH the Health Priority Strategy Selection Form and issue Request for Proposals through the Community Benefit Advisory Boards of the four (4) hospitals according to the timeline attached (Attachment 3).

All other conditions in DoN 1-3B36 and subsequent amendments remain in effect.

Attachment 1

Summary of the Six Previous Amendments

Amendment 1: August, 2009 - filed as a result of refinements to the original design for the Project eliminating two floors thereby changing the total GSF approved from 641,250 to 630,504 GSF and increasing the renovation GSF from 42,150 GSF to 44,900 GSF.

Amendment 2: November, 2009 - filed to restore the two (2) floors of shell space eliminated by the previous minor amendment as a result of further changes in planning. It brought the approval back to the plans contemplated in the original DoN. Amendment 2 increased the total GSF for the Project from 630,504 GSF to 686,086 GSF.

Amendment 3: February, 2011 - build-out 76,441 GSF of shell space to replace, inadequately sized ED; also 3 included construction of a connecting corridor and an increase of 6,190 GSF in the overall approved GSF to include renovation of the existing lobby/main entrance and add a covered walkway from the helipad.

Amendment 4: September, 2012 - build-out 80,116 GSF of shell space; included 70,383 GSF build-out of three (3) floors to replace 96 medical/surgical beds on the 5th, 6th, and 7th floors; 2,500 GSF for a construction management office; and 7,233 GSF for basement and roof infrastructure systems.

Amendment 5: August, 2014 - build-out of 13,643 GSF of shell space for a new pharmacy in proximity to patient care areas and renovation of the existing pharmacy areas for conversion to administrative and support space.

Amendment 6: January 26, 2017 - build-out 11,133 GSF of shell space, and renovation of an additional 6,358 GSF for the pediatric procedure and infusion suite, the intermediate care step-down unit, nurse training room, gift shop and emergency department storage areas.

Attachment 2

Baystate Health System Community Engagement Plan (2018-2019)

2. Name of CHI Engagement Process

Please indicate what community engagement process (e.g. the name DoN CHI Initiative associated with the CHI amount) the following form relates to. This will be use as a point of reference for the following questions. (Please limit the name to the following field length as this will be used throughout this form):

BMC EP/Cath Lab Project

3. CHI Engagement Process Overview and Synergies with Broader CHNA /CHIP

Please briefly describe your overall plans for the CHI engagement process and specific how this effort that will build off of the CHNA /CHIP community engagement process as is stated in the DoN Community-Based Health Initiative Planning Guideline.

Baystate Health, in partnership the Coalition of Western MA Hospitals/Insurer (Coalition) launched its 2019 Community Health Needs Assessment (CHNA) 10-month project in September 2018. The Coalition is a partnership between eight non-profit hospitals and insurer in western Massachusetts: Baystate Medical Center, Baystate Franklin Medical Center, Baystate Noble Hospital, Baystate Wing Hospital, Cooley Dickinson Hospital, Mercy Medical Center (a member of Trinity Health – New England), Shriners Hospitals for Children – Springfield, and Health New England, a local health insurer whose service area covers the four counties of western Massachusetts. The Coalition formed in 2012 to share resources and work in partnership to conduct their community health needs assessments (CHNA) and address regional needs. Improving the health of western Massachusetts is a shared mission of the Coalition.

The Coalition, in partnership with the 2019 CHNA consultant team, the Public Health Institute of Western MA (PHIWM) (lead consultant), Franklin Regional Council of Governments (FRCOG), Community Health Solutions (CHS), a department of the Collaborative for Educational Service, and Pioneer Valley Planning Commission (PVPC) have convened a Regional Advisory Council (RAC) is a body of 40+ stakeholders made up of broad representation of the community. RAC membership is inclusive of hospital and insurer community benefits staff, local public health departments/boards of health, municipal staff, education, housing, social services, private/business sector, community health centers, and community-based organizations. The group meets monthly and provides guidance and input into the process and implementation of the CHNA, including research strategies, engagement, draft findings and recommendations, dissemination. The RAC members also serve on one of four workgroups: Data/Reports, Engagement, Dissemination, and Health Equity.

The 2019 CHNA is being conducted through a determinant of health and health equity framework as it is recognized that social and economic determinants of health contribute substantially to population health and a health equity framework allows for actions to eliminate health disparities by addressing the social and economic factors that impact health. The primary 2019 CHNA goals are to update the list of prioritized community health needs identified in the 2016 CHNA and to the extent possible, identify potential areas of action. The prioritized health needs identified in the 2016 CHNA included community level social and economic determinants that impact health, barriers to accessing quality health care, and specific health conditions and behaviors.

Assessment methods for the 2019 CHNA are to include an analysis of social, economic and health quantitative data from Massachusetts Department of Public Health, the U.S Census Bureau, the Centers

for Disease Control and Prevention [CDC] Behavioral Risk Factor Surveillance System [BRFSS], the County Health Ranking Reports, Community Commons (CC), and a variety of other data sources. In addition, qualitative data analysis of findings from eight (8) focus groups and thirty-two (32) key informant interviews will be included. Review of existing assessment reports published since 2016 that were completed by community and regional agencies serving western MA will also be done. The assessment will focus on county-level data and community-level data as available. To the extent possible given data and resource constraints, vulnerable sub-populations will be identified using information from focus groups and interviews as well as some of the quantitative data will be stratified by race, ethnicity, gender, etc.

Integral to the past and current CHNA are the participation and support of community stakeholders and representatives who provide input through regional advisory council participation, key informant interviews, focus groups, “community forums” (formerly called listening sessions), and new to the 2019 CHNA, “community conversations” and “community chats”.

Based on the findings of the 2019 CHNA, and in partnership with their Community Benefits Advisory Councils, Baystate Health’s hospitals will develop community benefit implementation strategies (Summer 2019) to address select prioritized needs. In addition, the CHNA findings will inform county-wide community health improvement plans in Hampden and Franklin counties (Summer 2019). PHIWM and PVPC are the lead agencies for the Hampden County Community Health Improvement Plan. Franklin Regional Council of Governments is the lead agency for the Franklin County / North Quabbin Community Health Improvement Plan.

4. CHI Advisory Committee

For Tier 2 DON CHI Applicants: The CHI Advisory Committee is tasked with helping select DoN Health Priorities based on the CHNA / CHIP unless the Applicant is directed by DPH to conduct additional community engagement. If so, the advisory committee's role is to guide that additional work.

CHI Advisory Committee = Baystate Health Community Benefits Advisory Councils. Baystate Health’s four hospital Community Benefits Advisory Councils (CBAC’s) will serve as the CHI Advisory Committee for their respective hospital and oversee the selection of DoN Health Priorities (June 2019), based on the findings from 2019 CHNA. To the extent possible the CBAC’s will also ensure alignment of the DoN health Priorities with the hospitals’ community benefits implementation strategy (Summer 2019).

Distribution of the CHI funding to Baystate’s four hospitals will be determined by a TBD formula (refer to Budget *Excel* Document) that will allocate a portion of the \$1,892,250 in CHI funding to Baystate Medical Center in Springfield, Baystate Franklin Medical Center in Greenfield, Baystate Noble Hospital in Westfield, and Baystate Wing Hospital in Palmer.

CHI Steering Committee = BH CBAC Co-Chairs AND/OR CHNA RAC Liaisons. For the 2019 CHNA project, two CBAC members from each Baystate CBAC are serving on the CHNA Regional Advisory Council. The CBAC liaisons to the CHNA project are responsible for bringing information to and from the CBAC’s, specific to the CHNA project. Baystate’s CBAC are co-chaired by a hospital leader and a community representative.

Baystate intends to engage the CBAC Co-Chairs and CBAC RAC liaisons to serve on an ad hoc CHI Steering Committee to oversee the implementation of the BMC EP/Cath Lab Project Community

Engagement Plan, as well as, propose a CHI funding allocation formula. The Steering Committee will serve as a thinking and planning partner with Baystate’s Office of Government and Community Relations, the department responsible for the BMC EP/Cath Lab Project Community Engagement Plan and CHI Funding Implementation.

5. Focus Communities for CHI Engagement

Municipality	If engagement occurs in specific neighborhoods, please list those specific neighborhoods:
Springfield	North End, Mason Square
Holyoke	South End
Westfield	
Greenfield	
Palmer	
Ware	

6. Reducing Barriers

Identify the resources needed to reduce participation barriers (e.g., translation, interpreters, child care, transportation, stipend). For more information on participation barriers that could exist, please see Appendix A from the Community Engagement Standards for Community Health Planning Guidelines <http://www.mass.gov/eohhs/docs/dph/quality/don/guidelines-community-engagement.pdf>

Three key community engagement strategies that will be implemented as part of the 2019 CHNA project, and that will be leveraged for the **BMC EP/Cath Lab Project**, include five (5) Community Conversations (December 2018), eight (8) Community Forums (April/May 2019), and Community Chats (ongoing throughout the CHNA 10-month project). To ensure sufficient representation from all groups in a community, Baystate understands that essential accommodations will need to be made. The following potential barriers have been identified along with possible adaptations/solutions to mitigate barriers for participants. To ensure successful implementation of the three CHNA community engagement strategies, up to 25% of the CHI administrative budget (3% of total CHI funding) for the **BMC EP/Cath Lab Project** may be allocated for the following accommodations. By reducing barriers and making participation easy, comfortable, and safe demonstrates to the community participants we value them and their contributions to our process.

- **Hard to reach groups.** Baystate will be mindful of meeting times and venues to accommodate transportation needs and work schedules. Engagement of independent facilitators that are representative of the “hard to reach groups”. Bring CHNA information and “conversations” to

the people. Meet residents and groups of people where they already gather (informally and formally).

- **Childcare.** Partner with local child care agencies (Example: Square One, New North Citizens' Council Child Care Center, Head Start, YMCA) to provide complimentary child care services for participants.
- **Translation Services.** Baystate Interpreter and Translation Services may be engaged to provide needed translation services. CHNA RAC members have offered to host "conversations" in their native language (Spanish) with groups in their community. (Example: National Association of Hispanic Nurses – Western MA (NAHN).
- **Transportation.** Partner with PVTa, Uber, and other transportation services to offer complimentary transportation to participants. Host events in physically accessible and safe venues.
- **Stipends.** Providing stipends is an effective and meaningful way to encourage broad and value community engagement. As appropriate, gift cards will be purchased (Target, Wal-Mart, Grocery, Gas – ensure gift cards are for stores that are accessible and utilized by the specific audience of participants.
- **Visually Impaired Residents.** Engage Valley Eye Radio to attend and record various community engagement activities so they can share with their 2,000+ listeners throughout the valley.
- **Radio.** Partnering with local Spanish radio stations, WTCC, and other regional media outlets to disseminate information about the CHNA and offer a Call to Action (email, phone, social media, promote upcoming community engagement events) to listeners. Engage CHNA RAC / CBAC members to co-present with hospital representative.
- **Food.** Providing food is another effective and meaningful way to encourage broad and valued community engagement. Supporting local food businesses while providing a menu that meets cultural and dietary needs.

7. Communication

Identify the communication channels that will be used to increase awareness of this project or activity:

Spoken Language: as needed and appropriate engage Baystate Interpreter and Translation Services to provide assistance and accommodate languages reflective of the participant diversity during community engagement meetings or interactions.

Written Communication: The RAC Dissemination Workgroup is designing an informational rack card that will provide general information about what is a CHNA. We will also include *Call to Action* (contact information) for participants and community to learn more, provide additional input. Communicate Health will review the rack card content to ensure it is in plain language. The goal is to create a simple, visually appealing, and easy to understanding handout.

Cultural Humility: Baystate, in partners with its CBAC's have committed to hosting cultural humility training in each hospital's service area (2018-2019). Community residents and stakeholders involved in the 2019 CHNA RAC, CHIP's, and CBAC's, in addition, to hospital staff and other community-based organizations are the target audience for these trainings.

To maintain transparency and promote ongoing communication with the general public regarding the 2019 CHNA project, the Coalition has created an email (westernmachna@gmail.com) and a google voice

number (413-376-5349). In addition, social media accounts for the CHNA have also been created (Facebook and Twitter).

CHNA RAC Members will be invited to be part of the Community Chats Speakers Bureau. RAC members who may not be comfortable presenting to groups or presenting CHNA content and facilitating conversations, may help connect and arrange Community Chats with “hard to reach groups” and other groups through their personal and professional networks.

Coalition and RAC members will be invited to speak on local radio and TV stations. Coalition members will be doing Community Chats with their Patient Family Advisory Councils (PFAC’s), community partners, neighborhood associations, and other similar groups. As awareness about the CHNA project and the Community Chats grows, groups may request a Community Chat at their organizations.

Below are examples of groups that Baystate intends to offer a Community Chat to; elected officials, PFAC’s, New North Citizens’ Council, Atwater Park Civic Association, other springfield neighbors associations, BeHealthy Partnership ACO PFAC, UMMS/Baystate Medical School Community Faculty, Springfield C3 meetings, Baystate Mason Square Health Center Community Advisory Board, CHIP groups, Westfield Drug Task Force, Regional Transportation Councils, Quaboag Hills Community Coalition, Communities that Care Coalition, UniTy of Pioneer Valley, Maternal Child Health Commission, Perinatal Support Coalitions, Western MA Black Nurses Association, Mason Square Health Task Force, National Association Hispanic Nurses – Western MA Chapter. The examples lists are not exhaustive.

As part of the new MA Attorney General Guidelines, hospitals are new required to host annual forums to share with the community updates on their community benefits program (and DoN Projects). FY 2019 will be the first year Baystate hospitals will host such a forum. At this time we anticipate a summer timeframe.

8. Build Leadership Capacity

Cultural Humility Training. The goal is to deepen ones understanding of unconscious bias, equity, social justice, privilege, and the various intersectionalities of diversity.

Facilitative Leadership Training. Offer to RAC, CHIP, and CBAC members so residents and leaders within the various communities served by our hospital can better facilitate conversations around health needs.

CHNA RAC Members will be invited to be part of the Community Chats Speakers Bureau. RAC members who may not be comfortable presenting to groups or presenting CHNA content and facilitating conversations, may help connect and arrange Community Chats with “hard to reach groups” and other groups through their personal and professional networks.

9. Evaluation

Identify the mechanisms that will be used to evaluate the planning process, engagement outcome, and partner perception and experience:

Community engagement provides opportunities for continuous quality and process improvement for our hospitals. Therefore it is very important that we evaluate our community engagement in a timely

manner so that we may deepen our understanding of areas for improvement and respond/change/upgrade appropriately. Specific to the **BMC EP/Cath Lab Project**, Baystate will leverage the 2019 CHNA/CHIP community engagement efforts (as previously described in Question 3). Following the CHNA/CHIP community engagement process (May 2019) and the selection of DoN Health Priorities strategies by Baystate CBAC's (June 2019), Baystate will complete and submit a Self-Assessment of Community Engagement form to DPH (July 2019). In addition, Baystate will invite various community stakeholders representative of all four Baystate hospital services areas, whom participated on the CHNA RAC, are involved with a CHIP, and/or serve on a Baystate CBAC, to complete and submit Stakeholder Assessment of Community Engagement Forms to DPH (July 2019). Baystate values DPH and PHC's thoughtful review and feedback on these evaluation forms.

10. Reporting

Identify the mechanisms that will be used for reporting the outcomes of this project or activity to different groups within the community:

Baystate will re-engage the various groups engaged through the CHNA Community Chats to provide information regarding outcomes of the BMC EP/Cath Lab Project, as well as, a summary of our community engagement process, and feedback provided via self and stakeholder assessments.

Below are examples of groups that Baystate may engage to report outcomes of BMC EP/Cath Lab Project; CHNA RAC members, elected officials, PFAC's, New North Citizens' Council, Atwater Park Civic Association, other Springfield neighbors associations, BeHealthy Partnership ACO PFAC, UMMS/Baystate Medical School Community Faculty, Springfield C3 meetings, Baystate Mason Square Health Center Community Advisory Board, CHIP groups, Westfield Drug Task Force, Regional Transportation Councils, Quaboag Hills Community Coalition, Communities that Care Coalition, UniTy of Pioneer Valley, Maternal Child Health Commission, Perinatal Support Coalitions, Western MA Black Nurses Association, Mason Square Health Task Force, National Association Hispanic Nurses – Western MA Chapter. The examples lists are not exhaustive. Many of the groups listed will provide us access to the following groups of people within the diverse communities served by Baystate.

- Residents of Color
- Residents who speak a primary language other than English Groups above
- Aging population
- Youth
- Residents Living with Disabilities
- GLBTQ Community
- Residents with Low Incomes
- Other Residents

11. Engaging the Community At Large

Which of the stages of a CHNA/CHIP process will the DoN CHI project focus on? Please describe specific activities within each stage and what level the community will be engaged during the. While the step(s) you focus on are dependent upon your specific community engagement needs as a result of your previous CHNA/CHIP work, for tier 3 applicants the CHI community engagement process must at a minimum include the "Focus on What's Important," "Choose Effective Policies and Programs" and "Act on What's Important" stages. (For definitions of each step, please see pages 12-14 in the Community

Engagement Standards for Community Health Planning Guidelines

<http://www.mass.gov/eohhs/docs/dph/quality/don/guidelines-community-engagement.pdf>.

DoN	CHNA/CHIP	Inform	Consult	Involve	Collaborate	Delegate	Community – Driven/Led
Identification of Proposed Project: <ul style="list-style-type: none"> • Patient Panel Needs • DoN Project in Response to PPN • Link Project to Public Health Value 	Assess Needs and Resources		<i>X – minimum</i> Present to and obtain feedback DoN Project from: <ul style="list-style-type: none"> • BH four CBAC's • Franklin and Hampden County CHIP groups • New North Citizens' Council Board of Directors (North End neighbors to BMC) • Atwater Park Civic Association (North End neighbors to BMC) 				
CHI Funding Planning Prioritization and Strategy Selection: <ul style="list-style-type: none"> • CEP for CHI Funding • Select DoN Priorities and Related Strategies 	Focus on What's Important		Leverage 2019 CHNA: <ul style="list-style-type: none"> • Community Conversation's • Community Chats • Community Forums 	Franklin/Hampden CHIP's	<i>X – minimum</i> Leverage 2019 CHNA: <ul style="list-style-type: none"> • Regional Advisory Council ad hoc CHI Steering Committee- funding allocation formula / CEP implementation CBAC's – Determine DoN Health Priorities (based on CHNA / CEP process)		

CHI Procurement Process: <ul style="list-style-type: none"> Applicant and engaged community guide a transparent and public process to select and distribute funds 	Choose Effective Policies and Programs			<i>X – minimum</i> <i>Franklin/Hampden CHIP's</i>	<i>Concentrated Decision-making by CBAC's – Review and Allocation Sub-Committees (provide recommendations to full CBAC for endorsement, then approval by hospital leadership).</i>		
CHI Implementation: <ul style="list-style-type: none"> Applicant administers CHI funds Implement CHI Project(s) 	Act on What's Important		<i>X - minimum</i>	<i>Franklin/Hampden CHIP's</i> <i>CBAC's Oversight to Funded Projects</i>			
Evaluation of CHI: <ul style="list-style-type: none"> Monitor and evaluate funded partners/projects Report annually to DPH: strategies, process, data to date 	Evaluate Actions		<i>X - minimum</i>	<i>CBAC's Oversight to Funded Projects</i> <i>PHIWM – Evaluator for CHI Funding and associated projects</i>			

Attachment 3

Deliverable	18-Nov	18-Dec	19-Jan	19-Feb	19-Mar	19-Apr	19-May	19-Jun	19-Jul	19-Aug	19-Sep	19-Oct	19-Nov	19-Dec
DoN Project Application to PHC / Decision	X													
DoN CHI Statewide Allocation		X												
CHNA	X	X	X	X	X	X	X	X	X	X	X			
RAC	X	X	X	X	X	X	X	X	Debr ief					
Community Conversations	X	X												
Community Chats		X	X	X	X	X	X							
Community Forums						X	X							
Coalition CEO/BOT Forum								X						
Cultural Humility Trainings		X			X			X			X			
Facilitative Leadership Training				X										
CEP Evaluation: Self-Assessment Community Engagement Form									X					
CEP Evaluation: Stakeholder Assessment Community Engagement Form									X					
CHNA Baystate BOT Vote									X					
CHIP Upgraded based on CHNA						X	X	X	X					
Ad Hoc CHI Steering Committee		X		X		X	X							
CBACs - CHI Advisory Committee						X	X	X	X	X	X	X	X	X
DoN Health Priority Selection								X						
Implementation Strategy Development								X						
Implementation Strategy Baystate BOT Vote											X			
BH CHI Funding Allocation												X		
CHI Funding Evaluation														
Hospital Annual Open Forum									X	X				

BMC EP/Cath Lab Project - CHI BUDGET

DoN Capital Project Total Expenditures	\$37,605,439
Community Health Initiative (CHI) Funding @ 5%	\$ 1,880,272
Statewide CHI Funding @ 25% (Tier 2)	<u>\$ 470,068</u>
Balance	<u>\$ 1,410,204</u>
Evaluation - not to exceed 10%	\$ 141,020
Administrative - not to exceed 3%	<u>\$ 42,306</u>
Balance	<u>\$ 1,226,877</u>

Administrative	\$42,306
Reducing Barriers (not to exceed 25%)	\$10,557
<i>Childcare</i>	
<i>Translation Services</i>	
<i>Transportation</i>	
<i>Food</i>	
<i>Stipends</i>	
Independent Facilitators (not to exceed 40%)	\$16,922
Leadership Capacity Building (not to exceed 20%)	<u>\$8,461</u>
Balance	<u>\$ 6,346</u>

**ATTACHMENT 6:
ARTICLES OF ORGANIZATION**

Examiner

The Commonwealth of Massachusetts

William Francis Galvin

Secretary of the Commonwealth

One Ashburton Place, Boston, Massachusetts 02108-1512

RESTATED ARTICLES OF ORGANIZATION

(General Laws, Chapter 180, Section 7)

Name
Approved

We, Mark R. Tolosky, *President / ~~*Vice President~~,

and Helen F. Terrill, *Clerk / ~~*Assistant Clerk~~,

of Baystate Health System, Inc.,

(Exact name of corporation)

located at 759 Chestnut Street, Springfield, Massachusetts 01199,

(Street address of corporation in Massachusetts)

do hereby certify that the following Restatement of the Articles of Organization was duly adopted at a meeting

held on November 25, 20 03, by a vote of:

15 [fifteen] members, directors, or shareholders,

being at least two-thirds of its members/~~directors~~ legally qualified to vote in meetings of the corporation (or, in the case of a corporation having capital stock, by the holders of at least two thirds of the capital stock having the right to vote therein):

ARTICLE I

The name of the corporation is:

Baystate Health System, Inc.

ARTICLE II

The purpose of the corporation is to engage in the following activities:

See Attachment A made a part hereof.

C ☐
P ☐
M ☐
R.A. ☐

**Delete the inapplicable words.*

Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on one side only of separate 8 1/2 x 11 sheets of paper with a left margin of at least 1 inch. Additions to more than one article may be made on a single sheet as long as each article requiring each addition is clearly indicated.

P.C.

**RESTATED ARTICLES OF ORGANIZATION
BAYSTATE HEALTH SYSTEM, INC.
ATTACHMENT A**

ARTICLE II

The purposes of the corporation are to engage in the following activities:

To support the advancement of the knowledge and practice of, and education and research in, medicine, surgery, nursing, healing of humans, improving the health and welfare of all persons, and to sponsor, develop, provide and promote preventative, diagnostic, therapeutic and other services and programs which are charitable, scientific or educational and which address the physical and mental needs of the community at large, and the management of a coordinated continuum of services, programs, physicians, facilities and education and research programs necessary to meet the current and future health needs of Western New England residents in an integrated delivery system manner, provided, however, that the corporation shall not engage in the practice of medicine and provided further, that it shall operate exclusively for the benefit of Baystate Medical Center, Inc., Franklin Medical Center, Mary Lane Hospital Corporation, Visiting Nurse Association and Hospice of Western New England, Inc., and other affiliated organizations, including medical centers, health care centers, nursing centers and laboratories, in the conduct of their charitable, educational and scientific functions; and

To engage generally in any business that may lawfully be carried on by a corporation formed under Chapter 180 of the General Laws of the Commonwealth of Massachusetts, as amended, and that is not inconsistent with the corporation's qualifications as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

ARTICLE III

A corporation may have one or more classes of members. If it does, the designation of such classes, the manner of election or appointments, the duration of membership and the qualification and rights, including voting rights, of the members of each class, may be set forth in the by-laws of the corporation or may be set forth below:

The corporation shall not have any members.

ARTICLE IV

****Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or members, or of any class of members, are as follows:**

See Attachment B made a part hereof.

***If there are no provisions, state "None".*

Note: The preceding four (4) articles are considered to be permanent and may ONLY be changed by filing appropriate Articles of Amendment.

**RESTATED ARTICLES OF ORGANIZATION
BAYSTATE HEALTH SYSTEM, INC.
ATTACHMENT B**

ARTICLE IV

The corporation shall have the following powers in furtherance of its corporate purposes:

(a) The corporation shall have and may exercise in furtherance of its corporate purposes all of the powers specified in Section 6 of Chapter 180 and in Sections 9 and 9A of Chapter 156B of the Massachusetts General Laws (except those provided in paragraph (m) of said Section 9) as now in force or as hereafter amended, and also shall have all powers not so specified which may be exercised by a Massachusetts nonprofit charitable corporation as of the date of incorporation or thereafter, and may carry on any operation or activity referred to in Article II to the same extent as might an individual, either alone or in a joint venture or other arrangement with others, or through a wholly or partly owned or controlled corporation; provided, however, that no such power shall be exercised in a manner inconsistent with said Chapter 180 or any other chapter of the Massachusetts General Laws and provided further that the corporation shall not engage in any activity or exercise any power which would deprive it of any exemption from the federal income tax under Section 501(c)(3) of the Internal Revenue Code.

(b) Meetings of the trustees may be held anywhere in the United States or at any United States embassy abroad.

(c) No trustee or officer of the corporation shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as such trustee or officer, notwithstanding any provision of law imposing such liability, except to the extent that such exemption from liability is not permitted under Chapter 180 of the Massachusetts General Laws.

(d) No part of the assets or net earnings of the corporation shall inure to the benefit of any officer or trustee of the corporation or any private individual, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II herein; and, no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, except to the extent permitted by Section 501(h) of the Internal Revenue Code; and, the corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office. It is intended that the corporation shall be entitled to exemption from income tax under Section 501(c)(3) of the Internal Revenue Code and shall not be a private foundation under Section 509(a) of the Internal Revenue Code.

(e) Upon the liquidation or dissolution of the corporation, after payment of all of the liabilities of the corporation or of due provision therefor, all of the assets of the corporation shall be disposed of pursuant to Section 11A of Chapter 180 of the Massachusetts General Laws to one or more organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

(f) In the event that the corporation is a private foundation as that term is defined in Section 509 of the Internal Revenue Code, then notwithstanding any other provisions of the Articles of Organization or the Bylaws of the corporation the following provisions shall apply:

- (i) The income of the corporation for each taxable year shall be distributed at such time and in such manner as not to subject the corporation to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code.
 - (ii) The corporation shall not engage in any act of self dealing as defined in Section 4941(d) of the Internal Revenue Code, nor retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code, nor make any investments in such manner as to subject the corporation to tax under Section 4944 of the Internal Revenue Code, nor make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.
- (g) (i) No person shall be disqualified from holding any office by reason of any interest. In the absence of fraud, any trustee or officer of this corporation, or any concern in which any such trustee or officer has any interest, may be a party to, or may be pecuniarily or otherwise interested in, any contract, act or other transaction (collectively called a “transaction”) of this corporation, and
- (1) such transaction shall not be in any way invalidated or otherwise affected by that fact; and
 - (2) no such trustee or officer or concern shall be liable to account to this corporation for any profit or benefit realized through any such transaction;

provided, however, that such transaction either was fair at the time it was entered into or is authorized or ratified by a majority of the trustees who are not so interested and to whom the nature of such interest has been disclosed, at any meeting of trustees the notice of which, or an accompanying statement, summarizes the nature of such transaction and such interest. No interested trustee of this corporation may vote or may be counted in determining the existence of a quorum at any meeting at which such transaction shall be authorized, but may participate in discussion thereof.

- (ii) For purposes of this paragraph (g), the term “interest” shall include personal interest and also interest as a trustee, officer, director or beneficiary of any concern; and the term “concern” shall mean any corporation, association, trust, partnership, firm, person or other entity other than this corporation
- (iii) No transaction shall be avoided by reason of any provisions of this paragraph (g) which would be valid but for such provisions.

(h) All references herein: (i) to the Internal Revenue Code shall be deemed to refer to the Internal Revenue Code of 1986, as now in force or hereafter amended; (ii) to the General Laws of The Commonwealth of Massachusetts, or any chapter thereof, shall be deemed to refer to said General Laws or chapter as now in force or hereafter amended; and (iii) to particular sections of the Internal Revenue Code or the General Laws shall be deemed to refer to similar or successor provisions hereafter adopted.

ARTICLE V

The effective date of the Restated Articles of Organization of the corporation shall be the date approved and filed by the Secretary of the Commonwealth. If a *later* effective date is desired, specify such date which shall not be more than thirty days after the date of filing.

January 1, 2004

ARTICLE VI

The information contained in Article VI is not a permanent part of the Articles of Organization.

a. The street address (post office boxes are not acceptable) of the principal office of the corporation in *Massachusetts* is:

759 Chestnut Street, Springfield, Massachusetts 01199

b. The name, residential address and post office address of each director and officer of the corporation is as follows:

	NAME	RESIDENTIAL ADDRESS	POST OFFICE ADDRESS
President:	Mark R. Tolosky	83 Willow Brook Road, Longmeadow, MA 01106	same
Treasurer:	Keith C. McLean-Shinaman	55 Hayes Road, Tariffville, CT 06081	same
Clerk:	Helen F. Terrill	40 Shady Brook, West Springfield, MA 01089	same
Directors: (or officers having the powers of directors)	See Attachment C made a part hereof.		

c. The fiscal year of the corporation shall end on the last day of the month of: **September**

d. The name and business address of the resident agent, if any, of the corporation is: **None.**

****We further certify that the foregoing Restated Articles of Organization affect no amendments to the Articles of Organization of the corporation as heretofore amended, except amendments to the following articles. Briefly describe amendments below:**

None.

SIGNED UNDER THE PENALTIES OF PERJURY, this 22nd day of December, 20 03,


Mark R. Tolosky

, *President / ~~Vice President~~,


Helen F. Terrill

, *Clerk / ~~Assistant Clerk~~.

**Delete the inapplicable words.*

***If there are no such amendments, state "None".*

**RESTATED ARTICLES OF ORGANIZATION
BAYSTATE HEALTH SYSTEM, INC.
ATTACHMENT C**

ARTICLE VI

Board of Trustees

Name	Residential Address/Post Office Address
Ronald Abdow	100 Normandy Road, Longmeadow, MA 01106/same
Susan Alfano	208 Pinehurst Drive, East Longmeadow, MA 01028/same
Allan W. Blair	128 Blueberry Hill Road, Longmeadow, MA 01106/same
Bruce Brown	226 Boyden Road, Conway, MA 01341/same
Charles D'Amour	135 Ashford Road, Longmeadow, MA 01106/same
R. Bruce Dewey	16 Pineridge Drive, Westfield, MA 01085/same
B. John Dill	166 Park Drive, Springfield, MA 01106/same
Thomas J. Doney, M.D.	121 Willow Brook Road, Longmeadow, MA 01106/same
Enrique Figueredo	32 Longview Drive, Wilbraham, MA 01095/same
Loring S. Flint, Jr., M.D.	174 Twin Hills Drive, Longmeadow, MA 01106/same
Frederic W. Fuller, III	499 Main Street, Wilbraham, MA 01095/same
M. Dale Janes	37 Mohawk Drive, Longmeadow, MA 01106/same
Kerry Kuhlman	16 Worthington Drive, Bloomfield, CT 06002/same
Leslie Lawrence	164 Longview Drive, Longmeadow, MA 01106/same
Howard Ledewitz, M.D.	332 Pinehurst Drive, East Longmeadow, MA 01028/same
Joseph D. LoBello	152 Meadowbrook Road, Longmeadow, MA 01106/same
James F. Martin, Esq.	38 Oxford Road, Longmeadow, MA 01106/same
Judith Plotkin-Goldberg	134 Primrose Drive, Longmeadow, MA 01106/same
Katherine E. Putnam	201 Chestnut Plain Road, Whately, MA 01093/same
David L. Shifrin, M.D.	213 Tanglewood Drive, Longmeadow, MA 01106/same
Frances K. Stotz	54 Factory Hollow, Greenfield, MA 01301/same
Mark R. Tolosky	83 Willow Brook Road, Longmeadow, MA 01106/same
David W. Townsend	227 Farmington Road, Longmeadow, MA 01106/same
Steven M. Wenner, M.D.	30 Academy Drive, Longmeadow, MA 01106/same

Officers

Name	Residential Address/Post Office Address
Chair	
Frederic W. Fuller, III	499 Main Street, Wilbraham, MA 01095/same
Vice Chair	
B. John Dill	166 Park Drive, Springfield, MA 01106/same
President & CEO	
Mark R. Tolosky	83 Willow Brook Road, Longmeadow, MA 01106/same
Treasurer	
Keith C. McLean-Shinaman	53 Hayes Road, Tariffville, CT 06081/same
Clerk	
Helen F. Terrill	40 Shady Brook, West Springfield, MA 01089/same
Assistant Clerks	
Frances M. Capone	133 Manchester Terrace, Springfield, MA 01108/same
Frances C. Grabowski	29 Philip Street, Ludlow, MA 01056/same

12238

THE COMMONWEALTH OF MASSACHUSETTS

RESTATED ARTICLES OF ORGANIZATION

(General Laws, Chapter 180, Section 7)

I hereby approve the within Restated Articles of Organization and,
the filing fee in the amount of \$ 35.00 having been paid, said
articles are deemed to have been filed with me this 23rd day of
December, 20 03.

Effective Date: January 1, 2004

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

TO BE FILLED IN BY CORPORATION

Contact information:

Kelly A. McCarthy, Esq.

Bulkley, Richardson and Gelinas, LLP, 1500 Main Street, Suite 2700

Springfield, MA 01115-5507

Telephone: 413-272-6306

Email: kmccarthy@bulkley.com

A copy this filing will be available on-line at www.state.ma.us/sec/cor
once the document is filed.

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YK
Examiner

The Commonwealth of Massachusetts

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

ARTICLES OF AMENDMENT (General Laws, Chapter 180, Section 7)

KP
12/24/83
Name
Approved

We, Mark R. Tolosky, *President / ~~VICE PRESIDENT~~,
and Helen F. Terrill, *Clerk / ~~ASSISTANT CLERK~~,
of Baystate Health System, Inc.,
(Exact name of corporation)
located at 759 Chestnut Street, Springfield, Massachusetts 01199,
(Address of corporation in Massachusetts)

do hereby certify that these Articles of Amendment affecting articles numbered:

1

(Number those articles 1, 2, 3, and/or 4 being amended)

of the Articles of Organization were duly adopted at a meeting held on July 12 20 05, by vote of:

 members, 19 directors, or shareholders**,

☐ Being at least two-thirds of its members legally qualified to vote in meetings of the corporation; OR

☒ Being at least two-thirds of its directors where there are no members pursuant to General Laws,
Chapter 180, Section 3; OR

☐ In the case of a corporation having capital stock, by the holders of at least two-thirds of the capital
stock having the right to vote therein.

C ☐
P ☐
M ☐
R.A. ☐

Article 1 of the Articles of Organization is amended to change the name of the corporation
to Baystate Health, Inc.

*Delete the inapplicable words.

**Check only one box that applies.

Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on one side
only of separate 8 1/2 x 11 sheets of paper with a left margin of at least 1 inch. Additions to more than one article may be
made on a single sheet so long as each article requiring each addition is clearly indicated.

3
P.C.
12/24/83

The foregoing amendment(s) will become effective when these Articles of Amendment are filed in accordance with General Laws, Chapter 180, Section 7 unless these articles specify, in accordance with the vote adopting the amendment, a *later* effective date not more than *thirty days* after such filing, in which event the amendment will become effective on such later date.

Later effective date: August 1, 2005.

SIGNED UNDER THE PENALTIES OF PERJURY, this 22^d day of July, 20 05

Mark R. Tolosky

, *President / ~~VICE PRESIDENT~~

Helen F. Terrill

, *Clerk / ~~ASSISTANT CLERK~~

*Delete the inapplicable words.

17408

THE COMMONWEALTH OF MASSACHUSETTS

ARTICLES OF AMENDMENT
(General Laws, Chapter 180, Section 7)

I hereby approve the within Articles of Amendment and, the filing fee in the amount of \$ 15- having been paid, said articles are deemed to have been filed with me this 25 day of July 20 05.

Effective date: AUGUST 1, 2005



WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

945581

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JUL 25 PM 1:24
SECRETARY OF STATE

TO BE FILLED IN BY CORPORATION
Contact information:

Kelly A. McCarthy, Esq.

Bulkley, Richardson and Gelinas, LLP

1500 Main Street, Suite 2700, Springfield, MA 01115

Telephone: (413) 272-6306

Email: kmccarthy@bulkley.com

A copy this filing will be available online at www.state.ma.us/sec/cor once the document is filed.

ATTACHMENT 7:
AFFIDAVIT OF TRUTHFULNESS AND COMPLIANCE



Massachusetts Department of Public Health
Determination of Need
Affidavit of Truthfulness and Compliance
with Law and Disclosure Form 100.405(B)

Version: 7-6-17

Instructions: Complete Information below. When complete check the box "This document is ready to print:". This will date stamp and lock the form. Print Form. Each person must sign and date the form. When all signatures have been collected, scan the document and e-mail to: **dph.don@state.ma.us** Include all attachments as requested.

Application Number: BH-20062607-AM

Original Application Date: 03/30/2007

Applicant Name: Baystate Health, Inc.

Application Type: Amendment Significant

Applicant's Business Type: ☒ Corporation ☐ Limited Partnership ☐ Partnership ☐ Trust ☐ LLC ☐ Other

Is the Applicant the sole member or sole shareholder of the Health Facility(ies) that are the subject of this Application? ☒ Yes ☐ No

The undersigned certifies under the pains and penalties of perjury:

1. The Applicant is the sole corporate member or sole shareholder of the Health Facility[ies] that are the subject of this Application;
2. I have read 105 CMR 100.000, the Massachusetts Determination of Need Regulation;
3. I understand and agree to the expected and appropriate conduct of the Applicant pursuant to 105 CMR 100.800;
4. I have read this application for Determination of Need including all exhibits and attachments, and certify that all of the information contained herein is accurate and true;
5. I have caused, as required, notices of intent to be published and duplicate copies to be submitted to all Parties of Record, and all carriers or third-party administrators, public and commercial, for the payment of health care services with which the Applicant contracts, and with Medicare and Medicaid, as required by 105 CMR 100.405(C), et seq.;
6. If subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00, I have submitted such Notice of Material Change to the HPC - in accordance with 105 CMR 100.405(G);
7. Pursuant to 105 CMR 100.210(A)(3), I certify that both the Applicant and the Proposed Project are in material and substantial compliance and good standing with relevant federal, state, and local laws and regulations, as well as with all previously issued Notices of Determination of Need and the terms and Conditions attached therein;
8. I have read and understand the limitations on solicitation of funding from the general public prior to receiving a Notice of Determination of Need as established in 105 CMR 100.415;
9. I understand that, if Approved, the Applicant, as Holder of the DoN, shall become obligated to all Standard Conditions pursuant to 105 CMR 100.310, as well as any applicable Other Conditions as outlined within 105 CMR 100.000 or that otherwise become a part of the Final Action pursuant to 105 CMR 100.360;
10. Pursuant to 105 CMR 100.705(A), I certify that the Applicant has Sufficient Interest in the Site or facility; and
11. Pursuant to 105 CMR 100.705(A), I certify that the Proposed Project is authorized under applicable zoning by-laws or ordinances, whether or not a special permit is required; or,
 - a. If the Proposed Project is not authorized under applicable zoning by-laws or ordinances, a variance has been received to permit such Proposed Project; or,
 - b. The Proposed Project is exempt from zoning by-laws or ordinances.

Corporation:

Attach a copy of Articles of Organization/Incorporation, as amended

Mark A. Keroack, M.D.

June 18, 2020

CEO for Corporation Name:

Signature:

Date

John F. Maybury

Board Chair for Corporation Name:

Signature:

Date

This document is ready to print: ☒

Date/time Stamp: 05/22/2020 7:27 am

*been informed of the contents of

**have been informed that

***issued in compliance with 105 CMR 100.00, the Massachusetts Determination of Need Regulation effective January 27, 2017 and amended December 28, 2018



Massachusetts Department of Public Health
Determination of Need
Affidavit of Truthfulness and Compliance
with Law and Disclosure Form 100.405(B)

Version: 7-6-17

Instructions: Complete Information below. When complete check the box "This document is ready to print". This will date stamp and lock the form. Print Form. Each person must sign and date the form. When all signatures have been collected, scan the document and e-mail to: **dph.don@state.ma.us** Include all attachments as requested.

Application Number: BH-20062607-AM

Original Application Date: 03/30/2007

Applicant Name: Baystate Health, Inc.

Application Type: Amendment Significant

Applicant's Business Type: ☒ Corporation ☐ Limited Partnership ☐ Partnership ☐ Trust ☐ LLC ☐ Other

Is the Applicant the sole member or sole shareholder of the Health Facility(ies) that are the subject of this Application? ☒ Yes ☐ No

The undersigned certifies under the pains and penalties of perjury:

1. The Applicant is the sole corporate member or sole shareholder of the Health Facility(ies) that are the subject of this Application;
2. I have read 105 CMR 100.000, the Massachusetts Determination of Need Regulation;
3. I understand and agree to the expected and appropriate conduct of the Applicant pursuant to 105 CMR 100.800;
4. I have read this application for Determination of Need including all exhibits and attachments, and certify that all of the information contained herein is accurate and true;
5. I have caused, as required, notices of intent to be published and duplicate copies to be submitted to all Parties of Record, and all carriers or third-party administrators, public and commercial, for the payment of health care services with which the Applicant contracts, and with Medicare and Medicaid, as required by 105 CMR 100.405(C), et seq.;
6. If subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00, I have submitted such Notice of Material Change to the HPC - in accordance with 105 CMR 100.405(G);
7. Pursuant to 105 CMR 100.210(A)(3), I certify that both the Applicant and the Proposed Project are in material and substantial compliance and good standing with relevant federal, state, and local laws and regulations, as well as with all previously issued Notices of Determination of Need and the terms and Conditions attached therein;
8. I have read and understand the limitations on solicitation of funding from the general public prior to receiving a Notice of Determination of Need as established in 105 CMR 100.415;
9. I understand that, if Approved, the Applicant, as Holder of the DoN, shall become obligated to all Standard Conditions pursuant to 105 CMR 100.310, as well as any applicable Other Conditions as outlined within 105 CMR 100.000 or that otherwise become a part of the Final Action pursuant to 105 CMR 100.360;
10. Pursuant to 105 CMR 100.705(A), I certify that the Applicant has Sufficient Interest in the Site or facility; and
11. Pursuant to 105 CMR 100.705(A), I certify that the Proposed Project is authorized under applicable zoning by-laws or ordinances, whether or not a special permit is required; or,
 - a. If the Proposed Project is not authorized under applicable zoning by-laws or ordinances, a variance has been received to permit such Proposed Project; or,
 - b. The Proposed Project is exempt from zoning by-laws or ordinances.

Corporation:

Attach a copy of Articles of Organization/Incorporation, as amended

Mark A. Keroack, M.D.

CEO for Corporation Name:

Signature:

Date

John F. Maybury

June 22, 2020

Board Chair for Corporation Name:

Signature:

Date

This document is ready to print: ☒

Date/time Stamp: 05/22/2020 7:27 am

*been informed of the contents of

**have been informed that

***issued in compliance with 105 CMR 100.00, the Massachusetts Determination of Need Regulation effective January 27, 2017 and amended December 28, 2018