

The Children's Medical Center Corporation

DoN Application #: BCH-22031810-TO

**Application for Determination of Need**

**The Transfer of Ownership of Franciscan Hospital for Children, Inc.**

Boston Children's Hospital

March 21, 2022

Submitted By

The Children's Medical Center Corporation

300 Longwood Avenue

Boston, MA 02115



# Massachusetts Department of Public Health

## Determination of Need

### Application Form

Version: 11-8-17

Application Type:  Application Date: 03/21/2022 2:00 pm

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

1.7.a If Yes, has Material Change Notice been filed?

☒ Yes ☐ No

1.7.b If yes, provide the date of filing.

03/21/2022

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.

Please see attached narrative.

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

6.2 If Yes, Is Applicant's Proposed Project subject to 958 CMR 7.00 (Notices of Material Changes and Cost and Market Impact Reviews)?

☒ Yes ☐ No

6.3 Does the Proposed Project constitute the transfer of the Health Care Facility's license in its entirety to a single transferee?

☒ Yes ☐ No

6.4 Which of the following most closely characterizes the Proposed Project;

- ☐ A transfer of a majority interest in the ownership of a Hospital or Clinic;
- ☐ A transfer of a majority of any class of the stock of a privately-held for-profit corporation;
- ☐ A transfer of a majority of the partnership interest of a partnership;
- ☐ A change of the trustee or a majority of trustees of a partnership;
- ☒ Changes in the corporate membership and/or trustees of a non-profit corporation constituting a shift in control of the Hospital or Clinic;
- ☐ Foreclosure proceedings have been instituted by a mortgagee in possession of a Hospital or Clinic;
- ☐ A change in the ownership interest or structure of a Hospital or Clinic, or of the Hospital or Clinic's organization or parent organization(s), such that the change results in a shift in control of the operation of the Hospital or Clinic.

6.5 Explain why you believe this most closely characterizes the Proposed Project.

The Proposed Project is a Transfer of Ownership which will result in Children's Medical Center Corporation becoming the sole corporate member of Franciscan Hospital for Children, Inc. Therefore, the change results in a shift in control of the operation of the Hospital.

6.6 In context of responding to each of the Required Factors 1, 3, and 4, consider how the proposed transaction will affect the manner in which Applicant serves its existing Patient Panel in the context of value (that is cost and quality), and describe the impact to the Patient Panel in the context of Access, Value (price, cost, outcomes), and Health Disparities.

The responses provided in the attached narrative consider how the proposed transaction will affect the existing Patient Panel.

6.7 See section on Transfer of Ownership in the Application Instructions

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

11. Emergency Application

11.1 Is this an application filed pursuant to 105 CMR 100.740(B)? ☐ Yes ☒ No

12. Total Value and Filing Fee

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: Transfer of Ownership

12.1 Total Value of this project:	\$55,821,519.00
12.2 Total CHI commitment expressed in dollars: (calculated)	\$0.00
12.3 Transfer of ownership Filing Fee: (calculated)	\$111,643.04
12.4 Maximum Incremental Operating Expense resulting from the Proposed Project:	
12.5 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.

#### Factor 1: Applicant Patient Panel Need, Public Health Values and Operational Objectives

**F1.a.i Patient Panel:**

Describe your existing Patient Panel, including incidence or prevalence of disease or behavioral risk factors, acuity mix, noted health disparities, geographic breakdown expressed in zip codes or other appropriate measure, demographics including age, gender and sexual identity, race, ethnicity, socioeconomic status and other priority populations relevant to the Applicant's existing patient panel and payer mix.

Please see attached narrative.

**F1.a.ii Need by Patient Panel:**

Provide supporting data to demonstrate the need for the Proposed Project. Such data should demonstrate the disease burden, behavioral risk factors, acuity mix, health disparities, or other objective Patient Panel measures as noted in your response to Question F1.a.i that demonstrates the need that the Proposed Project is attempting to address. If an inequity or disparity is not identified as relating to the Proposed Project, provide information justifying the need. In your description of Need, consider the principles underlying Public Health Value (see instructions) and ensure that Need is addressed in that context as well.

Please see attached narrative.

**F1.a.iii Competition:**

Provide evidence that the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending. When responding to this question, please consider Factor 4, Financial Feasibility and Reasonableness of Costs.

Please see attached narrative.

**F1.b.i Public Health Value /Evidence-Based:**

Provide information on the evidence-base for the Proposed Project. That is, how does the Proposed Project address the Need that Applicant has identified.

Please see attached narrative.

**F1.b.ii Public Health Value /Outcome-Oriented:**

Describe the impact of the Proposed Project and how the Applicant will assess such impact. Provide projections demonstrating how the Proposed Project will improve health outcomes, quality of life, or health equity. Only measures that can be tracked and reported over time should be utilized.

Please see attached narrative.

**F1.b.iii Public Health Value /Health Equity-Focused:**

For Proposed Projects addressing health inequities identified within the Applicant's description of the Proposed Project's need-base, please justify how the Proposed Project will reduce the health inequity, including the operational components (e.g. culturally competent staffing). For Proposed Projects not specifically addressing a health disparity or inequity, please provide information about specific actions the Applicant is and will take to ensure equal access to the health benefits created by the Proposed Project and how these actions will promote health equity.

Please see attached narrative.

**F1.b.iv** Provide additional information to demonstrate that the Proposed Project will result in improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity.

Please see attached narrative.

F1.c Provide evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, how the Proposed Project will create or ensure appropriate linkages to patients' primary care services.

Please see attached narrative.

F1.d Provide evidence of consultation, both prior to and after the Filing Date, with all Government Agencies with relevant licensure, certification, or other regulatory oversight of the Applicant or the Proposed Project.

Please see attached narrative.

F1.e.i Process for Determining Need/Evidence of Community Engagement: For assistance in responding to this portion of the Application, Applicant is encouraged to review *Community Engagement Standards for Community Health Planning Guideline*. With respect to the existing Patient Panel, please describe the process through which Applicant determined the need for the Proposed Project.

Please see attached narrative.

F1.e.ii Please provide evidence of sound Community Engagement and consultation throughout the development of the Proposed Project. A successful Applicant will, at a minimum, describe the process whereby the "Public Health Value" of the Proposed Project was considered, and will describe the Community Engagement process as it occurred and is occurring currently in, at least, the following contexts: Identification of Patient Panel Need; Design/selection of DoN Project in response to "Patient Panel" need; and Linking the Proposed Project to "Public Health Value".

Please see attached narrative.

### Factor 3: Compliance

Applicant certifies, by virtue of submitting this Application that it is in compliance and good standing with federal, state, and local laws and regulations, including, but not limited to M.G.L. c. 30, §§ 61 through 62H and the applicable regulations thereunder, and in compliance with all previously issued notices of Determination of Need and the terms and conditions attached therein .

F3.a Please list all previously issued Notices of Determination of Need

Add/Del Rows	Project Number	Date Approved	Type of Notification	Facility Name
<input type="checkbox"/> <input type="checkbox"/>	4-3C47	10/27/2016	Hospital/Clinic Substantial Change in Service	Boston Children's Hospital
<input type="checkbox"/> <input type="checkbox"/>	DoN 20040309-CL	02/13/2021	Conservation Hospital/Clinic Project	Boston Children's Hospital
<input type="checkbox"/> <input type="checkbox"/>	Emergency DoN	01/15/2021	Emergency Application	Boston Children's Hospital
<input type="checkbox"/> <input type="checkbox"/>	BCH-21072306-CH	02/04/2022	Conservation Hospital/Clinic Project	Boston Children's Hospital

#### **Factor 4: Financial Feasibility and Reasonableness of Expenditures and Costs**

Applicant has provided (as an attachment) a certification, by an independent certified public accountant (CPA) as to the availability of sufficient funds for capital and ongoing operating costs necessary to support the Proposed Project without negative impacts or consequences to the Applicant's existing Patient Panel.

**F4.a.i Capital Costs Chart:**

For each Functional Area document the square footage and costs for New Construction and/or Renovations.

[illegible]

F4.a.ii For each Category of Expenditure document New Construction and/or Renovation Costs.

	Category of Expenditure	New Construction	Renovation	Total (calculated)
	<b>Land Costs</b>			
	Land Acquisition Cost			
	Site Survey and Soil Investigation			
	Other Non-Depreciable Land Development			
	<b>Total Land Costs</b>			
	<b>Construction Contract (including bonding cost)</b>			
	Depreciable Land Development Cost			
	Building Acquisition Cost			
	Construction Contract (including bonding cost)			
	Fixed Equipment Not in Contract			
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost			
	Pre-filing Planning and Development Costs			
	Post-filing Planning and Development Costs			
Add/Del Rows	Other (specify)			
<input type="button" value="+"/> <input type="button" value="-"/>				
	Net Interest Expensed During Construction			
	Major Movable Equipment			
	<b>Total Construction Costs</b>			
	<b>Financing Costs:</b>			
	Cost of Securing Financing (legal, administrative, feasibility studies, mortgage insurance, printing, etc			
	Bond Discount			
Add/Del Rows	Other (specify)			
<input type="button" value="+"/> <input type="button" value="-"/>				
	<b>Total Financing Costs</b>			
	<b>Estimated Total Capital Expenditure</b>			

## 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](mailto:DPH.DON@state.ma.us)

- ☒ Copy of Notice of Intent
- ☒ Affidavit of Truthfulness Form
- ☒ Scanned copy of Application Fee Check
- ☒ Affiliated Parties Table Question 1.9
- ☒ 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: 03/21/2022 2:00 pm

E-mail submission to  
Determination of Need

**Application Number: BCH-22031810-TO**

**Use this number on all communications regarding this application.**

☐ Community Engagement-Self Assessment form



The Children's Medical Center Corporation

DoN Application #: BCH-22031810-TO

**Exhibits**

**The Transfer of Ownership of Franciscan Hospital for Children, Inc.**

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March 21, 2022

Submitted By

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DoN Application: Transfer of Ownership of Franciscan Hospital for Children, Inc.

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## Exhibit 1: Narrative

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## Introduction

## **Introduction**

Franciscan Hospital for Children (“Franciscan Children’s” or “FC”) and The Children’s Medical Center Corporation (“CMCC” or the “Applicant”), the sole corporate member of The Children’s Hospital Corporation, doing business as Boston Children’s Hospital (“Boston Children’s” or “BCH”), are pleased to submit this Determination of Need Application (“Application”) with respect to an institutional affiliation—categorized as a “Transfer of Ownership” pursuant to the determination of need regulations, 105 CMR 100 et seq. (the “Regulations”)—pursuant to which CMCC will become FC’s sole corporate member (the “Proposed Affiliation”). As the Commonwealth’s leading pediatric acute and post-acute providers respectively, BCH and FC seek to build upon their long-standing collaboration to create the nation’s premier pediatric behavioral health and rehabilitation system of care, teaching, and research. Through the Proposed Affiliation, and consistent with each institution’s charitable missions, FC and BCH will facilitate a nation-leading programmatic and facilities transformation to improve access to, and delivery of, compassionate, equitable, family-centered and evidence-based care to children in Massachusetts and across New England.

The Proposed Affiliation will help the Commonwealth respond to the long-standing crisis in pediatric behavioral health exacerbated and intensified by the COVID-19 pandemic. The National Institute of Mental Health estimates that nearly half of U.S. adolescents ages 13-18 now have at least one behavioral health condition with nearly a quarter having severe impairment. Fewer than half of young people with these disorders receive treatment. One in five children—currently, or at some point during their life—have a debilitating behavioral health condition. And of those children, 60% do not receive treatment, and those that do struggle to access appropriate care within their communities. The impact among youth of color is even worse. After decades of stigma, continued and growing workforce shortfalls, institutional and system under-investment, and a lack of systems integration—all of which have only been further exacerbated by the current COVID-19 pandemic—pediatric behavioral health has reached a crisis point in Massachusetts and beyond.<sup>1</sup> Through the Proposed Affiliation, FC and BCH can work efficiently and collaboratively to help stem the tide of this growing pediatric behavioral health crisis.

The Proposed Affiliation will also address the pressing need to improve equitable access to coordinated care for children with medically complex care needs. In its February 2022 presentation titled “Children with Medical Complexity in the Commonwealth,” the Massachusetts Health Policy Commission reported that children with medically complex care needs make up about 1-4% of all children nationally, approximately 6.8% of children and adolescents covered by MassHealth, and approximately 4.5% of commercially insured children and adolescents in the Commonwealth.<sup>2</sup> These medically complex care needs are met through a continuum of care that spans multiple health and social service systems. FC and BCH play complementary and fundamental roles in the continuum of care for these children. FC cares for the most medically complex children after discharge from BCH and other acute hospitals throughout the region,

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<sup>1</sup> The American Academy of Pediatrics, the American Academy of Child and Adolescent Psychiatry and the Children’s Hospital Association jointly declared a National State of Emergency in Children’s Mental Health in October of 2021. See <https://www.aap.org/en/advocacy/child-and-adolescent-healthy-mental-development/aap-aacap-cha-declaration-of-a-national-emergency-in-child-and-adolescent-mental-health/>.

<sup>2</sup> See MASS. HEALTH POLICY COMM’N, *Children with Medical Complexity in the Commonwealth* (February 2022), available at <https://www.mass.gov/doc/children-with-medical-complexity-in-the-commonwealth/download>.

including children with chronic lung disease needing ventilator support, babies with feeding problems, children with neuromuscular diseases, and children who have suffered brain injury, spinal cord injury, cerebrovascular accidents, among other complex conditions. FC also educates children with medically complex care needs at its Kennedy Day School, a private special education school which services children with conditions including respiratory impairments requiring ventilator dependence, metabolic and neurologic disorders, and other congenital anomalies. Many children with medically complex care needs also depend upon FC for its specialized pediatric dental services. Lifesaving medical advances at BCH and other children's hospitals enable children who would not have survived years ago to survive and thrive today, with the Children's Hospital Association estimating a 5% annual growth in the patient population of children with medically complex care needs nationwide.<sup>3</sup> FC and BCH can better serve these children and their families by working together.

FC and BCH envision a comprehensive, collaborative approach that fosters linkages and alignment with other providers and critical community supports such as social service agencies, primary-care providers, schools, civic and religious leaders, and other community organizations who seek to improve the health and well-being of children and families. By combining their collective talent, resources and shared commitment to children, FC and BCH will be better positioned to support state leadership in the development and implementation of the Massachusetts's Roadmap for Behavioral Health Reform: *Ensuring the right treatment when and where people need it* (the "Roadmap for Behavioral Health Reform")<sup>4</sup>, the critical expansion of access to effective treatment and improved health equity, and other related efforts. Together, FC and BCH believe that they can do more for children, families, communities, and the Commonwealth together than they can apart.

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<sup>3</sup> See CHILDREN'S HOSP. ASS'N., *Optimizing Health Care for Children with Medical Complexity*, (October 15, 2013) available at [https://www.childrenshospitals.org/-/media/Files/CHA/Main/Issues\\_and\\_Advocacy/Key\\_Issues/Children\\_With\\_Medical\\_Complexity/Issue\\_Briefs\\_and\\_Reports/OptimizingHealthCareReport\\_10152013.pdf](https://www.childrenshospitals.org/-/media/Files/CHA/Main/Issues_and_Advocacy/Key_Issues/Children_With_Medical_Complexity/Issue_Briefs_and_Reports/OptimizingHealthCareReport_10152013.pdf)

<sup>4</sup> See MASS. EXEC. OFFICE OF HEALTH AND HUMAN SRVCS., *Roadmap for Behavioral Health Reform: Ensuring the right treatment when and where people need it* (Feb. 2021), available at <https://www.mass.gov/doc/stakeholder-presentation-on-the-roadmap-for-behavioral-health-reform/download> hereinafter, the "Roadmap."

## Project Description

### **Project Description**

Upon approval by The Commonwealth of Massachusetts and Catholic religious authorities through a parallel Canonical process, and satisfaction of certain other closing conditions set forth in the Affiliation Agreement entered into between the parties ("Affiliation Agreement"), CMCC would become FC's sole corporate member. CMCC is currently the sole corporate member of BCH. FC and BCH would become sister hospitals under the CMCC parent corporate structure. Following closing, FC would continue to be a separately licensed hospital and separately incorporated public charity with a fiduciary board of trustees, with its own officers and its own management team. The Chair of the FC Board of Trustees would be appointed to the CMCC Board of Trustees, and the Chair or Vice Chair of the CMCC Board of Trustees would be appointed to the FC Board of Trustees to improve system alignment and mission effectiveness. As the sole corporate member, CMCC would also have standard reserved powers over FC's corporate entity and other rights and responsibilities.

Franciscan Children's was founded in 1949 by the Franciscan Missionaries of Mary ("FMM"), a Catholic religious order, to provide a compassionate environment for children with complex medical, mental health and educational needs. Since its inception and through 2020, the FMM sisters managed, served at, and lived near Franciscan Children's. However, there are no longer FMM sisters currently working at FC or living in Massachusetts. The five members of the FMM Provincial Council currently serve as FC's corporate members with reserved powers over FC. Upon approval of the Proposed Affiliation under civil and Canon law, FMM's member rights would be transferred to CMCC.

Over the past seventy (70) years, under the FMM's leadership, FC became a premier, nationally recognized pediatric service provider offering services critical to Massachusetts and the New England region. Throughout this growth, FC has maintained an unwavering institutional commitment to serving children and families most in need of complex pediatric care. FC has developed specialized capacity to care for (i) the most medically complex children, including newborn babies on ventilators, (ii) children with behavioral health conditions requiring inpatient services, short-term residential, school-based, ambulatory and/or community-based services, (iii) children who need specialized dental services, including dental surgeries under general anesthesia, and (iv) children with specialized educational needs due to their physical and/or cognitive condition. FC is the only pediatric chronic disease and rehabilitation hospital in Massachusetts. FC's patients and students arrive from acute care hospitals, emergency departments, mobile crisis teams, school systems, and other providers from across the Commonwealth and New England who turn to FC for high quality, specialized pediatric behavioral health, post-acute medical and rehabilitative, dental, and educational services.

Despite its many clinical and educational successes, FC has faced long-standing financial challenges that have significantly constrained its ability to (1) enhance services sought by patients and families, (2) update its aging and inefficient physical plant, and (3) expand services to more underserved children and adolescents. Pursuant to the Proposed Affiliation, the parties contemplate a significant and necessary investment in FC's campus that will allow FC and BCH to redevelop and modernize FC's campus into a state-of-the-art center for pediatric behavioral



health and post-acute medical and rehabilitative excellence, and directly increase patient access while also increasing community-based programming, which will substantially improve FC's ability to decrease geographic and racial disparities. Through the Proposed Affiliation, the parties would collaborate to reinforce and revitalize FC's historic mission of serving children requiring specialized behavioral health and post-acute medical and rehabilitation services as part of a comprehensive care continuum.

BCH is the world's leading pediatric academic medical center and is the only freestanding pediatric acute care hospital in Massachusetts. BCH's mission is to provide the highest quality of pediatric health care, to lead the way in research and discovery, to educate the next generation of leaders in health care, and to enhance the health and well-being of the children and families in the local community. BCH provides the most comprehensive network of pediatric subspecialists in New England, including primary care services through Children's Hospital Primary Care Center and the Pediatric Physician's Organization at Children's ("PPOC"). BCH also has a strong tradition of meeting a wide range of pediatric behavioral health needs for Massachusetts children, particularly those children with acute and complex needs. BCH operates a variety of inpatient and ambulatory behavioral health programs and has developed an integrated behavioral health ambulatory program with its community pediatric physician practices for its patients including, for example, its Mass Health Accountable Care Organization ("BCH ACO") patients. Nevertheless, during the past two years, BCH has seen a dramatic increase in behavioral health emergency room visits and patients who board awaiting appropriate placement and services, with this increase only exacerbated by the COVID-19 pandemic's widespread impact on pediatric behavioral health.

Through the Affiliation Agreement, CMCC and FC contemplate working in collaboration to dedicate the significant resources necessary to fundamentally transform and reimagine the delivery of pediatric care for children with behavioral health and complex post-acute medical and rehabilitation needs. Together, FC and BCH will be uniquely and ideally positioned to support the Commonwealth in addressing the widespread and worsening pediatric behavioral health crisis. The parties intend to establish a fully integrated continuum of pediatric behavioral health services, including school and community-based services, primary care integration, short-term residential programs, intensive outpatient services, and specialized inpatient care. To improve system efficiency and clinical alignment, FC and BCH anticipate transferring certain existing and planned behavioral health programs, which are similar to services already provided by FC, to FC's campus and under the FC license, as part of a comprehensive plan to completely redevelop and modernize FC campus.<sup>5</sup>

The corporate structure to be implemented through the Proposed Affiliation, as detailed in the organization chart set forth below (*see* Figure 1), is the means through which the parties can effectively execute on their shared vision consistent with legal and regulatory requirements. The Proposed Affiliation will enable the parties' promotion of the more efficient delivery of behavioral health and post-acute medical and rehabilitative care, with a focus on research and professional development. This, in turn, will strengthen the ability of BCH and FC to jointly recruit and retain the next generation of pediatric behavioral health and post-acute rehabilitation clinicians and

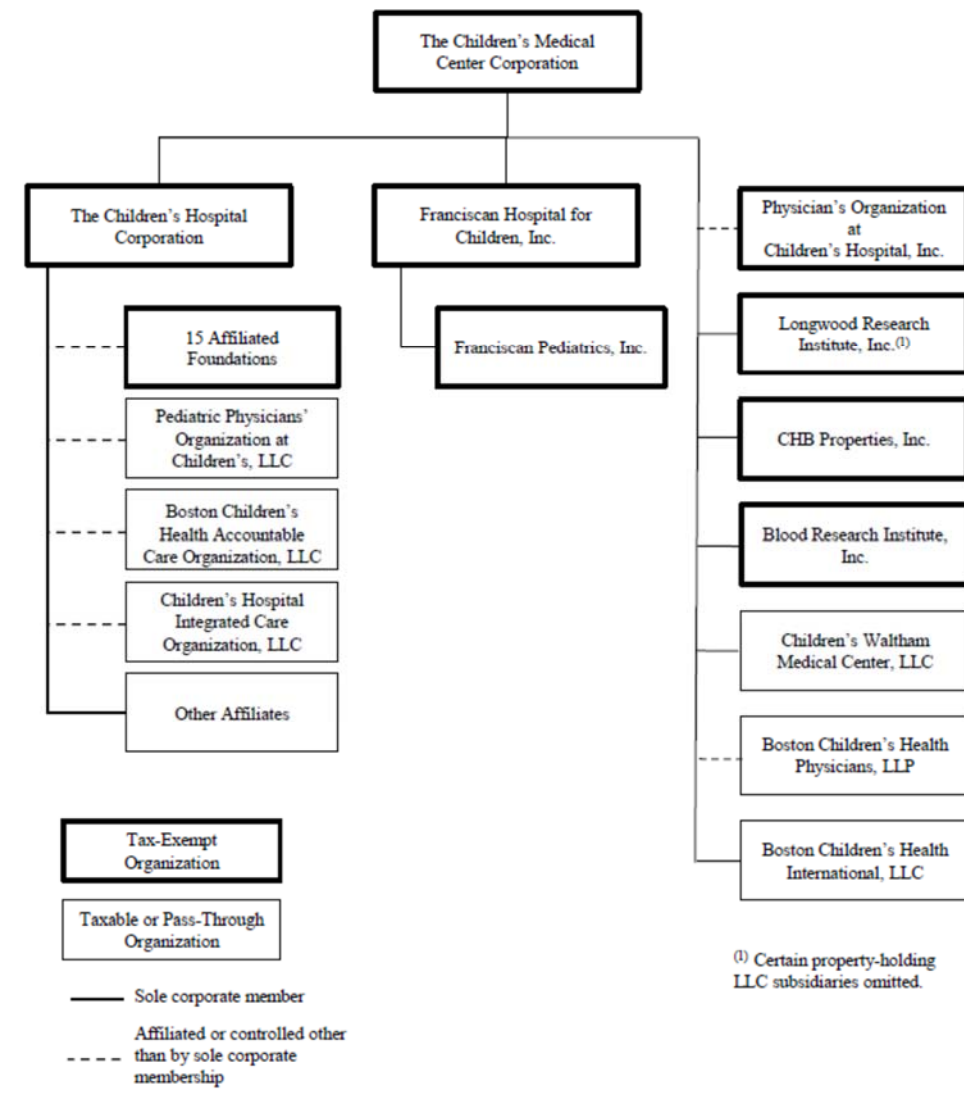
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<sup>5</sup> The campus redevelopment and modernization will be the subject of an institutional master plan, as well as one or more future determination of need applications.

leaders, and in turn, make the FC campus a more desirable destination for patients. The Proposed Affiliation will support improved staffing coverage for services, provide greater efficiency in the health care system, facilitate the expansion of FC's services to its core patient population, and support BCH's focus on the behavioral health patients with co-morbid medical conditions on its Longwood campus.

The approval of the Proposed Affiliation is the first step in advancing this important work. Additional regulatory approvals, including the approval of a campus modernization plan that will increase access to high-quality behavioral health, post-acute medical and rehabilitation care, other specialized inpatient beds, and expand ambulatory capacity, will require a subsequent Determination of Need to approve the detail of the clinical expansion, costs and facility design. However, without the approval of the Proposed Affiliation, the parties are limited in their ability to collaborate to achieve their shared transformative vision.

**Figure 1. Post-Closing Organization Chart**



## Narrative Responses to Factors 1 and 2

## **Factor 1      Applicant Patient Panel Need, Public Health Values and Operational Objectives**

### **F1.a.i, Patient Panel**

**Describe your existing Patient Panel, including incidence or prevalence of disease or behavioral risk factors, acuity mix, noted health disparities, geographic breakdown expressed in zip codes or other appropriate measures, demographics including age, gender and sexual identity, race, ethnicity, socioeconomic status and other priority populations relevant to the Applicant's existing patient panel and payer mix.**

For the purposes of this application, the Patient Panel consists of the (A) statewide Patient Panel of the health care facilities affiliated with CMCC, with a focus on the patients served by BCH (the "CMCC Patient Panel"), and (B) the Patient Panel of Franciscan Children's (the "FC Patient Panel"). While both CMCC and FC serve pediatric behavioral health patients and children with medically complex needs, the health care services they provide are delivered at distinctive points of the care continuum. Set forth below are the general patient panels of CMCC (focusing on BCH) and FC, along with detailed patient panel information concerning pediatric patients that receive behavioral health, dental services, post-acute care, and medically complex care from CMCC or FC, as applicable. Because CMCC operates general and specialized pediatric care facilities, and FC's clinical operations are focused on post-acute and medically complex patients, the data that they each collect is different, and the systems they use to analyze such data are different. These differences are reflected throughout the patient panels described below.

### **CMCC Patient Panel**

As the Commonwealth's only dedicated pediatric care delivery system, the Applicant has a consistently diverse, statewide Patient Panel.<sup>6</sup> See Table 1, below. The number of patients utilizing the services of BCH has increased over the past four years, with 251,058 unique patients in its 2021 fiscal year ("FY") as compared to 219,857 unique patients in FY18, an increase of 31,201 unique patients, or a 4.5% annual compounded growth rate. See Table 1, below. BCH's patient mix consists of approximately 52% males and 48% females. See Table 1, below. Reflecting BCH's commitment to health equity and access to care, the portion of its revenue attributed to the treatment of patients enrolled in Medicaid has increased from 37.7% in 2018 to 40.4% in 2021. See Table 1, below.

BCH's Patient Panel reflects a diverse patient population. In FY21, 60.7% of BCH's statewide patient population (excluding those listed as unknown) identified as White, non-Hispanic; 16% identified as Hispanic; 9.7% identified as Black, non-Hispanic; 7% identified as Another Race,

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<sup>6</sup> Capitalized terms not otherwise defined have the meanings ascribed to them in the Regulations. While providers in the CMCC system serve a national and international patient base, the Patient Panel data includes only Massachusetts residents treated at BCH to best demonstrate need by a locally derived Patient Panel with respect to the Proposed Affiliation. Except as otherwise noted, the source of any financial, statistical, or numerical information included in this application is derived from the records of BCH or FC, as applicable.

non-Hispanic; 4.9% identified as Asian, non-Hispanic; and 1.7% identified as Multiracial, non-Hispanic. *See* Table 1, below.

While BCH provides care to patients from around the world, its statewide Patient Panel resides mainly in Eastern Massachusetts. Applying the Department of Public Health's Health Service Area ("HSA") categories to FY21 data, 34.6% of BCH's Massachusetts patients reside in HSA 4; 20.3% reside in HSA 6; 17.3% reside in HSA 3; 14.5% reside in HSA 5; 6.3% reside in HSA 2; 1.8% reside in HSA 1; and the origin of 5.1% is unknown. *See* Table 1, below. The demographic characteristics, behavioral risk factors, and health disparities of the BCH's Patient Panel are those of the Commonwealth's families.

### FC Patient Panel

As the Commonwealth's only pediatric post-acute chronic disease and rehabilitation hospital, FC serves an inherently vulnerable Patient Panel. *See* Table 6, below. FC provides pediatric post-acute care, inpatient pediatric mental health care, community-based acute treatment ("CBAT"), and dental care on its Brighton campus. The number of patients utilizing the services of FC has decreased over the past four years, with 4,369 unique patients in its 2021 FY as compared to 7,026 unique patients in FY18, a decline of 2,657 unique patients. *See* Table 6, below. FC's decline in unique patients from FY18 through FY21 reflects (1) closure of FC's Pediatric Primary Care Clinic in September of 2019 due to falling demand and inadequate reimbursement,<sup>7</sup> and (2) reductions in certain services during 2020 and 2021 due to the effects of the COVID-19 pandemic.

FC's FY21 patient mix consists of approximately 53.5% males and 46.5% females. *See* Table 6, below. Reflecting FC's commitment to health equity and access to care, FC admits a "disproportionate share" of vulnerable children as measured by FC's payor mix (i.e., over 60% Medicaid). *See* Table 6, below. FC's Patient Panel reflects a diverse patient population. In FY21, 45.06% of FC's patient population (excluding those listed as unknown) identified as White, non-Hispanic; 23.32% identified as Hispanic; 13.41% identified as Black, non-Hispanic; 9.84% identified as Another Race, non-Hispanic; and 8.38% identified as Asian, non-Hispanic. *See* Table 6 below.

### CMCC Behavioral Health Patient Panel

For more than 60 years, BCH has tended to the mental health care of children, adolescents, and their families by caring for patients and advocating on their behalf. BCH treats all specialized behavioral health conditions with a paradigm that supports health and wellness. BCH's delivery of behavioral health care is coordinated with primary care providers and specialists for patients with medical comorbidities. The continuum of care for behavioral health at BCH includes outpatient-based services, CBAT and two inpatient pediatric and adolescent behavioral health units. From 2018 to 2021, BCH has experienced a 97% increase in patient days across the continuum. The acuity of care for the patients treated in the Department of Mental Health licensed inpatient units has also increased slightly from 0.95 in 2018 to 0.98 in 2021 as more patients present with both medical and behavioral health conditions. BCH is the only facility in

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<sup>7</sup> FC's Primary Care Clinic had 6,696 patient visits in FY 18 and 5,888 in FY19 before it closed. FC coordinated with Charles River Community Health Center to provide patients a local Brighton option to continue quality care.

Massachusetts to provide inpatient psychiatric care for children and adolescents with severe co-occurring medical and psychiatric disorders, and has 32 inpatient beds to provide for such care. BCH has experienced a 50% increase in psychiatry visits, up to 24,236 in FY21 from 16,121 in FY18. *See* Table 2, below.

#### FC's Behavioral Health Patient Panel

FC's behavioral health patient population (inpatient and CBAT) is focused on patients with a variety of mental health conditions, including mood disorders, attention deficit disorder, depression, psychosis, anxiety disorders, and post-traumatic stress disorder, with the goal of treatment involving restoration of safety, targeting high-risk behaviors, restoration of self-image and reduction of suicidal behaviors.

FC receives referrals from numerous access points and provides behavioral health in a variety of settings: (1) psychiatric acute inpatient, (2) CBAT, and (3) outpatient and school-based services. FC receives admissions from throughout Massachusetts for its mental health programs for children and adolescents in crisis.<sup>8</sup> FC's 32-bed inpatient mental health program admits from over 50 different emergency rooms and crisis teams across the state. FC's 18-bed CBAT program admits from over 50 different inpatient mental health programs, emergency rooms, and crisis teams collectively across the state. In recent years, FC has noted increased acuity in its CBAT program, with CBAT serving as a diversion from an emergency department stay. In addition, FC admits patients from BCH across its behavioral health programs.

In addition to its inpatient behavioral health services, FC also operates outpatient behavioral health programs and school-based programs at 11 Boston Public Schools. FC, like CMCC, has developed, and supplemented programmatic funding for, school-based programs in the Boston Public Schools to meet critical needs to improve equitable access to critical and underserved mental health services in accordance with their charitable missions and not based on competitive business considerations. These programs target a variety of conditions as well, including adjustment disorders, anxiety, ADHD, autism and intellectual developmental disorders, and patients with co-occurring medical and behavioral health needs.

#### CMCC's Dental Care Patient Panel

Patients may present to BCH with any number of acute and medically complex conditions. The care plan for treating those conditions often requires that the patient receives treatment for other health care needs that affect the care plan, such as the provision of dental care and dental surgery. Since the imposition of state orders during the COVID-19 pandemic that impacted dental services, BCH has steadily rebounded in the number of unique patients and unique visits for dental services reflected in its statewide patient panel. *See* Table 5.

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<sup>8</sup> FC has a long-standing contractual relationship with McLean Hospital under which McLean provides professional staffing and program management for FC's psychiatric acute inpatient unit and CBAT. Pursuant to that contractual relationship, McLean clinical leadership has directly participated in the development of plans for potential pediatric behavioral health service improvements and expansions under this Proposed Affiliation.

### FC's Dental Care Patient Panel

FC is a leading market provider of pediatric dental surgeries in Massachusetts, treating those with extensive dental needs, developmental disabilities, medically compromising conditions, and situational anxiety. The vast majority of patients who receive dental surgery at FC are children with medical complexity, who often require complicated dental care that cannot be performed without specialty pediatric capacity and anesthesia services. For similar reasons, approximately 30% of the children receiving non-surgical dental care at FC's dental clinic also have medical complexity.<sup>9</sup>

### CMCC Children with Medical Complexity Patient Panel

BCH receives approximately 36% of admissions statewide for children and adolescents with complex medical needs.<sup>10</sup> These complex medical needs often require numerous clinicians, medications, specialized equipment, therapies, and surgeries. As the region's only pediatric dedicated academic medical center, BCH pediatric specialists manage medically complex patients with clinical expertise. BCH's Center for Primary Care, along with its primary care community network, are comfortable managing the complex health pediatric patients. BCH specialists connect with local pediatricians and schools to manage the care of these complex patients.

### FC's Children with Medical Complexity Patient Panel

As the only pediatric post-acute chronic disease and rehabilitation hospital in the Commonwealth, FC receives admissions from acute care hospitals throughout Massachusetts and New England (and occasionally outside of the New England region) for its high quality, cost effective pediatric post-acute care program. In any given year, FC averages admissions from 15 different referring hospitals and health systems, with the specific admitting sources varying based on the patients who require FC's level of care. Given the high concentration of patients with complex medical needs, FC typically admits at least 70% of its pediatric post-acute care patients from BCH in a given year.

FC provides services to patients with a range of medically complex conditions including, but not limited to, chronic lung disease, feeding problems, Dysphagia, technology dependency including gastronomy tubes and ventilators, brain or spinal cord injury, meningitis, encephalitis, Guillain-Barre, autoimmune disease, neuromuscular diseases, sleep apnea, and those post-operative/post-transplant. FC is able to treat the most medically complex patients, including those requiring ventilator support, in its post-acute care program. On average, at least 60% of FC's post-acute care patients are patients on ventilators at any given time. Nearly all of the patients admitted to FC's medical inpatient program are children with medical complexity. FC continues to experience

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<sup>9</sup> FC has a long-standing contractual relationship with the Boston University Henry M. Goldman School of Dental Medicine ("BUGSDM") under which FC serves as a primary training location for BUGSDM residents and fellows who provide pediatric dental services to children in FC's dental clinic and dental surgery as part of BUGSDM academic programs. FC and BUGSDM have conferred and expect to continue this important clinical relationship under this Proposed Affiliation.

<sup>10</sup> See MASS. HEALTH POLICY COMM'N, *Children with Medical Complexity in the Commonwealth* (Oct. 6, 2021).

increased demand for its pediatric post-acute inpatient services, reaching a peak of 14,786 patient days in FY19. *See* Table 7 below.

FC's serves a high percentage of children with medical complexity across its service lines because of its expertise working with this patient population.<sup>11</sup> For example, approximately 75% of patients receiving outpatient physical and rehabilitative therapy services, and all of the students enrolled in Kennedy Day School have medical complexity.

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<sup>11</sup> FC provides inpatient behavioral health to all children, those with medical complexities and those without medical complexities



**Table 1. Demographics of Boston Children's Massachusetts Patient Panel<sup>12</sup>**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<b>Total BCH MA Unique Patients</b>	<b>219,857</b>		<b>229,342</b>		<b>209,610</b>		<b>251,058</b>	
<b>Total BCH MA Unique Visits</b>	<b>555,374</b>		<b>584,108</b>		<b>515,872</b>		<b>606,157</b>	
<b>Gender</b>								
Female	109,409	49.8%	114,297	49.8%	105,119	50.1%	129,336	51.5%
Male	110,426	50.2%	115,025	50.2%	104,456	49.8%	121,616	48.4%
Unknown	22	0.0%	20	0.0%	35	0.0%	106	0.0%
<b>Age</b>								
0-2 years	41,792	19.0%	43,311	18.9%	39,599	18.9%	41,599	16.6%
3-5 years	29,300	13.3%	30,606	13.3%	27,543	13.1%	29,205	11.6%
6-10 years	45,583	20.7%	47,605	20.8%	42,386	20.2%	46,065	18.3%
11-15 years	49,285	22.4%	51,807	22.6%	46,884	22.4%	52,799	21.0%
16-18 years	26,090	11.9%	27,457	12.0%	26,020	12.4%	29,575	11.8%
19+ years	27,807	12.6%	28,556	12.5%	27,178	13.0%	51,815	20.6%
<b>Race/Ethnicity*</b>								
Asian, non-Hispanic	7,113	4.2%	7,049	4.2%	6,200	4.1%	8,808	4.9%
Black, non-Hispanic	17,322	10.3%	17,343	10.2%	15,040	10.0%	17,485	9.7%
Hispanic	26,576	15.9%	27,469	16.2%	24,531	16.3%	28,903	16.0%
White, non-Hispanic	101,566	60.7%	102,572	60.4%	91,079	60.5%	109,606	60.7%
Another Race, non-Hispanic	12,450	7.4%	12,734	7.5%	11,561	7.7%	12,704	7.0%
Multiracial, non-Hispanic	2,352	1.4%	2,644	1.6%	2,173	1.4%	3,129	1.7%
<b>Patient Origin</b>								
HSA_1: Western MA	3,834	1.7%	4,153	1.8%	3,794	1.8%	4,430	1.8%
HSA_2: Central MA	13,073	5.9%	14,123	6.2%	12,784	6.1%	15,924	6.3%
HSA_3: Northeast	40,184	18.3%	41,660	18.2%	38,262	18.3%	43,474	17.3%
HSA_4: Metro West	74,532	33.9%	76,312	33.3%	69,264	33.0%	86,830	34.6%
HSA_5: Southeast	29,870	13.6%	32,111	14.0%	30,213	14.4%	36,510	14.5%
HSA_6: Boston	43,052	19.6%	44,850	19.6%	40,469	19.3%	51,004	20.3%
Unknown	15,312	7.0%	16,133	7.0%	14,824	7.1%	12,886	5.1%
<b>Payor Mix**</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>
HSA_1: Western MA	53.4%	46.6%	57.7%	42.3%	56.3%	43.7%	59.5%	40.5%
HSA_2: Central MA	34.8%	65.2%	36.6%	63.4%	33.9%	66.1%	36.5%	63.5%
HSA_3: Northeast	36.5%	63.5%	37.4%	62.6%	41.1%	58.9%	40.3%	59.7%
HSA_4: Metro West	20.2%	79.8%	21.0%	79.0%	25.7%	74.3%	22.7%	77.3%
HSA_5: Southeast	41.6%	58.4%	40.9%	59.1%	38.9%	61.1%	45.1%	54.9%
HSA_6: Boston	61.3%	38.7%	61.4%	38.6%	60.0%	40.0%	62.0%	38.0%
Unknown	35.8%	64.2%	31.7%	68.3%	36.9%	63.1%	37.3%	62.7%
<b>Total</b>	<b>37.7%</b>	<b>62.3%</b>	<b>38.2%</b>	<b>61.8%</b>	<b>39.8%</b>	<b>60.2%</b>	<b>40.4%</b>	<b>59.6%</b>

\*Race/Ethnicity excludes unique patients listed as "Unknown" and therefore has a different denominator than the total count listed above.

\*\*\* Payor mix based on percentage of total charges

<sup>12</sup> To ensure patient privacy, we have used the notation "<11" in any instance where the patient count for a demographic category included less than 11 individuals. Any related percentage-of-patient-count calculations have been removed where inclusion of such percentages could compromise patient privacy.

**Table 2. Boston Children's Visits by Specialty\***

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<b>Total Visits</b>	<b>555,374</b>		<b>584,108</b>		<b>515,872</b>		<b>606,157</b>	
Psychiatry	16,121	2.9%	19,593	3.4%	20,416	4.0%	24,236	4.0%
Dentistry	25,709	4.6%	26,932	4.6%	17,411	3.4%	21,627	3.6%
All Other	513,544	92.5%	537,583	92.0%	478,045	92.7%	560,294	92.4%

\* Includes Boston Children's faculty physician office visits in non-licensed space.

**Table 3. Massachusetts Rehabilitation/Post-Acute Patients Transferred from Boston Children's to Franciscan Children's**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<b>Total MA Unique Patients (Rehab)</b>	<b>63</b>		<b>69</b>		<b>109</b>		<b>91</b>	
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	<11	N/A	<11	N/A	<11	N/A	<11	N/A
Black, non-Hispanic	19	30.2%	13	18.8%	17	15.6%	17	18.7%
Hispanic	<11	N/A	12	17.4%	17	15.6%	12	13.2%
White, non-Hispanic	22	34.9%	30	43.5%	50	45.9%	46	50.5%
Another Race, non-Hispanic	<11	N/A	<11	N/A	<11	N/A	<11	N/A
Multiracial, non-Hispanic	<11	N/A	0	0.0%	<11	N/A	<11	N/A
Unknown	<11	N/A	<11	N/A	<11	N/A	<11	N/A
<b>Patient Origin</b>								
HSA_1: Western MA	<11	N/A	<11	N/A	<11	N/A	<11	N/A
HSA_2: Central MA	<11	N/A	<11	N/A	13	11.9%	<11	N/A
HSA_3: Northeast	<11	N/A	<11	N/A	15	13.8%	<11	N/A
HSA_4: Metro West	16	25.4%	25	36.2%	36	33.0%	29	31.9%
HSA_5: Southeast	<11	N/A	17	24.6%	<11	N/A	18	19.8%
HSA_6: Boston	20	31.7%	12	17.4%	24	22.0%	20	22.0%
Unknown	<11	N/A	<11	N/A	<11	N/A	<11	N/A

**Table 4. Demographics of Boston Children's Massachusetts Patient Panel Receiving Behavioral Health Services**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<i>Total MA Unique Patients (All BH)</i>	<i>3,715</i>		<i>4,333</i>		<i>4,254</i>		<i>4,817</i>	
<i>Total MA Unique Visits (All BH)</i>	<i>16,121</i>		<i>19,593</i>		<i>20,416</i>		<i>24,236</i>	
<i>Bedded Days (CBAT)</i>	<i>2,781</i>		<i>3,153</i>		<i>2,982</i>		<i>3,659</i>	
<i>Bedded Days (DMH Unit)</i>	<i>4,519</i>		<i>4,775</i>		<i>4,686</i>		<i>4,345</i>	
<i>Bedded Days (IP/ED Boarders)</i>	<i>2,803</i>		<i>3,912</i>		<i>4,863</i>		<i>11,948</i>	
<i>CMI (DMH Unit)</i>	<i>0.95</i>		<i>0.92</i>		<i>0.93</i>		<i>0.98</i>	
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	118	3.2%	121	2.8%	132	3.1%	142	2.9%
Black, non-Hispanic	396	10.7%	406	9.4%	368	8.7%	337	7.0%
Hispanic	525	14.1%	630	14.5%	553	13.0%	599	12.4%
White, non-Hispanic	2,066	55.6%	2,442	56.4%	2,438	57.3%	2,815	58.4%
Another Race, non-Hispanic	213	5.7%	255	5.9%	242	5.7%	253	5.3%
Multiracial, non-Hispanic	80	2.2%	107	2.5%	90	2.1%	109	2.3%
Unknown	317	8.5%	372	8.6%	431	10.1%	562	11.7%
<b>Patient Origin</b>								
HSA_1: Western MA	66	1.8%	90	2.1%	59	1.4%	110	2.3%
HSA_2: Central MA	156	4.2%	216	5.0%	226	5.3%	281	5.8%
HSA_3: Northeast	615	16.6%	716	16.5%	757	17.8%	816	16.9%
HSA_4: Metro West	1,244	33.5%	1,452	33.5%	1,474	34.6%	1,678	34.8%
HSA_5: Southeast	488	13.1%	562	13.0%	540	12.7%	712	14.8%
HSA_6: Boston	933	25.1%	1,055	24.3%	951	22.4%	923	19.2%
Unknown	213	5.7%	242	5.6%	247	5.8%	297	6.2%
<b>Payor Mix*</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>
HSA_1: Western MA	43.7%	56.3%	52.5%	47.5%	79.0%	21.0%	58.5%	41.5%
HSA_2: Central MA	12.1%	87.9%	18.5%	81.5%	29.7%	70.3%	22.1%	77.9%
HSA_3: Northeast	17.1%	82.9%	19.5%	80.5%	21.1%	78.9%	30.3%	69.7%
HSA_4: Metro West	10.0%	90.0%	12.5%	87.5%	17.9%	82.1%	14.1%	85.9%
HSA_5: Southeast	29.6%	70.4%	26.7%	73.3%	23.3%	76.7%	27.9%	72.1%
HSA_6: Boston	27.5%	72.5%	40.1%	59.9%	40.1%	59.9%	41.5%	58.5%
Unknown	22.5%	77.5%	27.7%	72.3%	23.1%	76.9%	21.0%	79.0%
<i>Total</i>	<i>19.0%</i>	<i>81.0%</i>	<i>24.7%</i>	<i>75.3%</i>	<i>26.3%</i>	<i>73.7%</i>	<i>26.4%</i>	<i>73.6%</i>

\*Payor mix based on percentage of total charges

**Table 5. Demographics of Boston Children's Massachusetts Patient Panel Receiving Dental Services**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<b>Total MA Unique Patients (Dental)</b>	<b>10,700</b>		<b>10,917</b>		<b>8,852</b>		<b>9,468</b>	
<b>Total MA Unique Visits (Dental)</b>	<b>25,709</b>		<b>26,932</b>		<b>17,411</b>		<b>21,627</b>	
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	648	6.1%	659	6.0%	564	6.4%	524	5.5%
Black, non-Hispanic	2,238	20.9%	2,225	20.4%	1,695	19.1%	1,697	17.9%
Hispanic	2,588	24.2%	2,721	24.9%	2,223	25.1%	2,341	24.7%
White, non-Hispanic	2,603	24.3%	2,661	24.4%	2,202	24.9%	2,372	25.1%
Another Race, non-Hispanic	1,058	9.9%	1,107	10.1%	902	10.2%	1,025	10.8%
Multiracial, non-Hispanic	179	1.7%	174	1.6%	149	1.7%	158	1.7%
Unknown	1,386	13.0%	1,370	12.5%	1,117	12.6%	1,351	14.3%
<b>Patient Origin</b>								
HSA_1: Western MA	92	0.9%	97	0.9%	75	0.8%	84	0.9%
HSA_2: Central MA	566	5.3%	636	5.8%	501	5.7%	553	5.8%
HSA_3: Northeast	1,374	12.8%	1,365	12.5%	1,114	12.6%	1,243	13.1%
HSA_4: Metro West	2,744	25.6%	2,712	24.8%	2,325	26.3%	2,442	25.8%
HSA_5: Southeast	1,092	10.2%	1,077	9.9%	804	9.1%	964	10.2%
HSA_6: Boston	4,461	41.7%	4,631	42.4%	3,720	42.0%	3,832	40.5%
Unknown	371	3.5%	399	3.7%	313	3.5%	350	3.7%
<b>Payor Mix*</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>	<b>Medicaid</b>	<b>All Other</b>
HSA_1: Western MA	59.3%	40.7%	73.0%	27.0%	52.3%	47.7%	61.8%	38.2%
HSA_2: Central MA	64.0%	36.0%	55.3%	44.7%	58.3%	41.7%	59.6%	40.4%
HSA_3: Northeast	68.3%	31.7%	62.6%	37.4%	67.0%	33.0%	63.3%	36.7%
HSA_4: Metro West	67.9%	32.1%	62.4%	37.6%	58.6%	41.4%	56.4%	43.6%
HSA_5: Southeast	72.6%	27.4%	72.0%	28.0%	64.2%	35.8%	65.8%	34.2%
HSA_6: Boston	81.8%	18.2%	79.9%	20.1%	79.8%	20.2%	76.5%	23.5%
Unknown	63.2%	36.8%	63.5%	36.5%	54.4%	45.6%	60.9%	39.1%
<b>Total</b>	<b>73.8%</b>	<b>26.2%</b>	<b>70.5%</b>	<b>29.5%</b>	<b>68.4%</b>	<b>31.6%</b>	<b>66.5%</b>	<b>33.5%</b>

\*Payor mix based on percentage of total charges

**Table 6. Demographics of Franciscan Children's Patient Panel\***<sup>13</sup>

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<b>Total FC Unique Patients</b>	<b>7,026</b>		<b>7,059</b>		<b>4,076</b>		<b>4,369</b>	
<b>Gender</b>								
Female	3,337	47.5%	3,346	47.4%	1,891	46.4%	2,030	46.5%
Male	3,689	52.5%	3,713	52.6%	2,183	53.6%	2,339	53.5%
Unknown	0	0.0%	0	0.0%	<11	N/A	0	0.0%
<b>Age</b>								
0-2 years	678	9.53%	594	8.32%	179	4.31%	186	4.25%
3-5 years	1,845	25.92%	1,839	25.77%	1,221	29.39%	1,371	31.30%
6-10 years	2,004	28.15%	2,042	28.61%	1,396	33.61%	1,526	34.84%
11-15 years	1,399	19.65%	1,487	20.84%	848	20.41%	770	17.58%
16-18 years	673	9.45%	677	9.49%	318	7.66%	291	6.64%
19+ years	519	7.29%	498	6.98%	192	4.62%	236	5.39%
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	756	11.19%	714	10.47%	385	9.77%	355	8.38%
Black, non-Hispanic	786	11.63%	823	12.07%	512	12.99%	568	13.41%
Hispanic	1,908	28.24%	1,844	27.04%	915	23.21%	988	23.32%
White, non-Hispanic	2,687	39.77%	2,643	38.76%	1,805	45.79%	1,909	45.06%
Other, non-Hispanic	620	9.18%	795	11.66%	325	8.24%	417	9.84%
<b>Patient Origin</b>								
HSA_1: Western MA	61	0.87%	69	0.98%	59	1.45%	71	1.62%
HSA_2: Central MA	551	7.84%	581	8.23%	458	11.23%	616	14.02%
HSA_3: Northeast	884	12.57%	872	12.35%	645	15.82%	755	17.18%
HSA_4: Metro West	1,623	23.09%	1,618	22.91%	856	20.99%	923	21.01%
HSA_5: Southeast	753	10.71%	809	11.46%	575	14.10%	626	14.25%
HSA_6: Boston	2,646	37.64%	2,621	37.11%	1,152	28.25%	1,082	24.62%
Outside of MA and/or Unknown	512	7.28%	492	6.97%	333	8.17%	321	7.31%
<b>Payor Mix</b>								
Medicaid	5,208	60.66%	4,871	61.65%	2,557	57.68%	2,749	--
International	30	0.35%	29	0.37%	21	0.48%	<11	--
Commercial and All Other	3,347	38.99%	3,001	37.98%	1,841	41.66%	1,632	--

\* Does not include Franciscan's Kennedy Day School or outpatient dental program. All patients are unique, unduplicated patients. For age, patients are counted once the first time they received services in a given fiscal year. For race/ethnicity, count totals differ from the totals for gender and age due to patients for whom information was unknown.

<sup>13</sup> As noted above, the type of data maintained by Franciscan Children's varies from that of Boston Children's, and accordingly, the descriptions of their respective patient populations will appear slightly different. Further, we note that Franciscan Children's calculates its payor mix by patient count, rather than by revenues, which may tend to understate the Medicaid payor mix percentage for Franciscan Children's. Further, because patients may be covered by different payors over the course of one year, the patient count per category of payor exceeds the unique patient count in Tables 6-10.

**Table 7. Demographics of Franciscan Children's Patient Panel Receiving Inpatient Rehab Services**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<i>Total Unique Patients (Rehab)</i>	<b>160</b>		<b>142</b>		<b>148</b>		<b>119</b>	
<i>Total Patient Days (Rehab)</i>	<b>14,382</b>		<b>14,786</b>		<b>14,431</b>		<b>13,632</b>	
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	27	16.88%	23	16.20%	21	14.19%	<11	--
Black, non-Hispanic	27	16.88%	24	16.90%	23	15.54%	24	--
Hispanic	31	19.38%	27	19.01%	35	23.65%	20	--
White, non-Hispanic	33	20.63%	33	23.24%	43	29.05%	42	--
Other	42	26.25%	35	24.65%	26	17.57%	23	--
<b>Patient Origin</b>								
HSA_1: Western MA	14	--	11	--	<11	--	<11	N/A
HSA_2: Central MA	<11	--	<11	--	14	--	<11	N/A
HSA_3: Northeast	24	--	26	--	24	--	25	21.01%
HSA_4: Metro West	25	--	26	--	26	--	13	10.92%
HSA_5: Southeast	11	--	16	--	12	--	18	15.13%
HSA_6: Boston	48	--	36	--	36	--	28	23.53%
Outside of MA and/or Unknown	29	--	19	--	30	--	19	15.97%
<b>Payor Mix</b>								
Medicaid	123	71.51%	100	68.49%	111	--	86	--
International	17	9.88%	13	8.90%	<11	--	<11	--
Commercial and All Other	32	18.60%	33	22.60%	36	--	30	--

**Table 8. Demographics of Franciscan Children's Patient Panel Receiving Behavioral Health Services**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<i>Total Unique Patients (Behavioral Health)</i>	1,528		1,839		1,414		1,205	
<i>Total Unique Visits (Behavioral Health)</i>	15,525		20,989		22,588		18,400	
<i>Total Patient Days (Behavioral Health)</i>	14,393		14,163		13,353		13,368	
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	88	5.76%	86	4.68%	62	4.38%	65	5.39%
Black, non-Hispanic	183	11.98%	268	14.57%	245	17.33%	209	17.34%
Hispanic	359	23.49%	455	24.74%	341	24.12%	284	23.57%
White, non-Hispanic	663	43.39%	798	43.39%	631	44.63%	512	42.49%
Other	102	6.68%	125	6.80%	78	5.52%	94	7.80%
All Others	133	8.70%	107	5.82%	57	4.03%	41	3.40%
<b>Patient Origin</b>								
HSA_1: Western MA	<11	--	13	0.71%	<11	--	12	1.00%
HSA_2: Central MA	66	--	73	3.97%	66	--	39	3.24%
HSA_3: Northeast	118	--	158	8.59%	96	--	92	7.63%
HSA_4: Metro West	376	--	475	25.83%	336	--	325	26.97%
HSA_5: Southeast	106	--	149	8.10%	89	--	73	6.06%
HSA_6: Boston	724	--	849	46.17%	723	--	590	48.96%
Outside of MA and/or Unknown	132	--	122	6.63%	96	--	74	6.14%
<b>Payor Mix</b>								
Medicaid	616	31.64%	630	--	574	34.17%	402	33.47%
International	0	0.00%	<11	--	0	0.00%	0	0.00%
Commercial and All Other	1,331	68.36%	1,462	--	1,106	65.83%	799	66.53%

**Table 9. Demographics of Franciscan Children's Patient Panel Receiving Dental Services**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<i>Total Unique Patients (Dental)</i>	3,392		3,265		2,469		2,537	
<i>Total Unique Visits (Dental)</i>	8,020		7,594		5,176		5,611	
<b>Patient Origin</b>								
HSA_1: Western MA	21	0.62%	16	0.49%	<11	--	14	0.55%
HSA_2: Central MA	232	6.84%	244	7.47%	219	--	226	8.91%
HSA_3: Northeast	402	11.85%	394	12.07%	284	--	307	12.10%
HSA_4: Metro West	751	22.14%	724	22.17%	542	--	527	20.77%
HSA_5: Southeast	183	5.40%	200	6.13%	181	--	201	7.92%
HSA_6: Boston	1,627	47.97%	1,520	46.55%	1,099	--	1,132	44.62%
Outside of MA and/or Unknown	176	5.19%	167	5.11%	136	--	130	5.12%
<b>Payor Mix</b>								
Medicaid	160	--	175	5.38%	92	3.78%	137	5.46%
International	<11	--	0	0.00%	0	0.00%	0	0.00%
Commercial and All Other	3,229	--	3,076	94.62%	2,343	96.22%	2,373	94.54%

**Table 10. Demographics of Franciscan Children's Patient Panel Receiving Surgery Services**

	FY18		FY19		FY20		FY21	
	Count	%	Count	%	Count	%	Count	%
<i>Total Cases (Surgery)</i>	<b>2,934</b>		<b>2,988</b>		<b>2,364</b>		<b>2,895</b>	
<i>Total Patient Count (Surgery)</i>	<b>2,915</b>		<b>2,955</b>		<b>2,349</b>		<b>2,862</b>	
<b>Race/Ethnicity</b>								
Asian, non-Hispanic	301	10.33%	307	10.39%	267	11.37%	254	8.87%
Black, non-Hispanic	294	10.09%	283	9.58%	222	9.45%	312	10.90%
Hispanic	687	23.57%	618	20.91%	515	21.92%	657	22.96%
White, non-Hispanic	1,308	44.87%	1,229	41.59%	1,055	44.91%	1,274	44.51%
Other	231	7.92%	418	14.15%	217	9.24%	295	10.31%
All Others	94	3.22%	100	3.38%	73	3.11%	70	2.45%
<b>Patient Origin</b>								
HSA_1: Western MA	23	0.79%	33	1.12%	43	1.83%	51	1.78%
HSA_2: Central MA	448	15.37%	471	15.93%	373	15.88%	558	19.50%
HSA_3: Northeast	611	20.96%	581	19.65%	511	21.75%	618	21.59%
HSA_4: Metro West	617	21.17%	607	20.53%	442	18.82%	532	18.59%
HSA_5: Southeast	581	19.93%	598	20.23%	465	19.80%	527	18.41%
HSA_6: Boston	387	13.28%	407	13.77%	313	13.32%	362	12.65%
Outside of MA and/or Unknown	248	8.51%	259	8.76%	202	8.60%	214	7.48%
<b>Payor Mix</b>								
Medicaid	2,060	70.48%	2,166	73.20%	1,755	74.43%	2,139	74.79%
International	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Commercial and All Other	863	29.52%	793	26.80%	603	25.57%	721	25.21%

**F1.a.ii, Need by Patient Panel**

**Provide supporting data to demonstrate the need for the Proposed Project. Such Data should demonstrate the disease burden, behavioral risk factors, acuity mix, health disparities, or other objective Patient Panel measures as noted in your response to Question F1.a.i that demonstrates the need that the Proposed Project is attempting to address. If an inequity or disparity is not identified as relating to the Proposed Project, provide information justifying the need. In your description of Need, consider the principles underlying Public Health Value (see instructions) and ensure that Need is addressed in that context as well.**

As set forth below, there is an urgent need for specialized pediatric behavioral health services, post-acute care for medically complex children, and dental care for pediatric patients with behavioral health-related sensitivities.



## Pediatric Behavioral Health

After decades of under-reimbursement, workforce shortfalls,<sup>14</sup> stigma, and a lack of systems integration, pediatric behavioral health has reached a crisis point in Massachusetts and beyond.<sup>15</sup> As evidenced by the announcement of the “Roadmap for Behavioral Health Reform,” Massachusetts requires critical system reforms in order to adequately address the growing behavioral health care needs of the patient community.<sup>16</sup> Children in the Commonwealth face extremely long wait times for outpatient behavioral health services, neuropsychological testing, and certain therapies. Despite its significant allocation of resources to behavioral health care, FC currently experiences a 2-month waitlist for psychiatric care, a 6-12 month waitlist for outpatient therapy and a 9-12 month waitlist for neuropsychological testing.

The COVID-19 pandemic further highlighted the striking inadequacies of the current pediatric behavioral health delivery system, and Massachusetts has identified a need for expanded behavioral health services, particularly in the pediatric population. The COVID-19 pandemic has resulted in greater need for access to inpatient adolescent and pediatric psychiatric services due to quarantine orders, remote learning and destabilization of families.<sup>17</sup> Compared with 2019, the proportion of mental health-related visits for children aged 5-11 and 12-17 years increased approximately 24% and 31%, respectively in 2020.<sup>18</sup>

As demonstrated in F1.a.i above, the Applicant and FC face increasing demand for pediatric behavioral health services.<sup>19</sup> FC's most recent Community Health Needs Assessment (“CHNA”), conducted over the spring/summer of 2021, concluded that access to behavioral health care is a pressing concern in the community, particularly among children.<sup>20</sup> Similarly, BCH's 2019 CHNA also concluded that behavioral health issues continue to be a high-priority concern, with about

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<sup>14</sup> The Substance Abuse and Mental Health Services Agency (“SAHMSA”) reports that between 48,293 and 49,316 additional child and adolescent psychologists are needed to meet the current needs of children and youth with serious emotional disturbance/serious mental illness. See SAHMSA, *Behavioral Health Workforce Report* (Dec. 28, 2020), available at <https://annapoliscoalition.org/wp-content/uploads/2021/03/behavioral-health-workforce-report-SAMHSA-2.pdf>.

<sup>15</sup> See THE U.S. SURGEON GENERAL'S ADVISORY, U.S. DEP'T OF HEALTH AND HUMAN SRVCS., PUBLIC HEALTH SRVC., OFF. OF THE SURGEON GEN., *Protecting Youth Mental Health*, (2021) (noting that “in 2016, of the 7.7 million children with treatable mental health disorder, about half did not receive adequate treatment”). <https://www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf>. The report further notes that “researching covering 80,000 youth globally found that depressive and anxiety symptoms doubled during the pandemic, with 25% of youth experiencing depressive and 20% experiencing anxiety symptoms.

<sup>16</sup> See *Roadmap*.

<sup>17</sup> See Karen Dineen Wagner, MD, PhD, *New Findings About Children 's Mental Health During COVID-19*, PSYCHIATRIC TIMES (October 7, 2020), available at <https://www.psychiatristimes.com/view/newfindings-children-mental-health-covid-19>.

<sup>18</sup> See Leeb RT, Bitsko RH, Radhakrishnan L, Martinez P, Njai R, Holland KM, *Mental Health- Related Emergency Department Visits Among Children Aged < 18 Years During the COVID-19 Pandemic - United States, January 1-October 17, 2020*, MMWR MORB. MORTAL WKLY. REP. (2020), 69:1675-1680, available at <http://dx.doi.org/10.15585/mmwr.mm6945a3external icon>.

<sup>19</sup> See MASS. DEP'T. OF PUB. HEALTH, BUREAU OF FAM. HEALTH & NUTRITION, *FY21 Application and FY2019 Report for the Maternal and Child Health Services Block Grant Program* (August 21, 2020), available at <https://mchb.tvisdata.hrsa.gov/Admin/FileUpload/DownloadStateUploadedPdf?filetype=PrintVersion&state=MA&year=2021>.

<sup>20</sup> See *Franciscan Children's 2021 Community Health Needs Assessment* (July 2021), available at <https://franciscanchildrens.org/wp-content/uploads/2021/07/Franciscan-Childrens-CHNA-Full-Report.pdf>

7.5% of respondents aged 18 or under reporting to the Boston CHNA Community Survey that they had needed behavioral health services but had not been able to access them.<sup>21</sup> Meanwhile, the Massachusetts FY21 Application and FY19 Report for the Maternal and Child Health Services Block Grant Program found that mental health was a priority issue in the areas of child health, adolescent health, and children and youth with special health needs.<sup>22</sup>

To meet the Commonwealth's need for behavioral health services, the Applicant operates clinically integrated programs in multiple locations and across the continuum of care, from inpatient psychiatric and psychiatric emergency care, to CBAT, outpatient programs, integrated behavioral health in primary-care settings, and school-based programs and supports. On its Longwood campus, BCH provides services through its 16-bed inpatient psychiatric unit and outpatient behavioral health programs. In Waltham, BCH currently operates outpatient behavioral health programs, a 12-bed CBAT program, and a 12-bed inpatient adolescent and pediatric psychiatric unit. At the same time, FC provides services through a 32-bed inpatient psychiatric unit, an 18-bed CBAT program, and outpatient behavioral health programs on its Brighton campus.

In its Behavioral Health Workforce Report, SAHMSA reported that approximately 10% of U.S. school children in 2020 will have serious emotional disturbance/serious mental illness, and that schools represent an important resource for child mental health services and continue to be a major need nationally. While FC currently operates mental health programs in 11 Boston Public Schools, and the Boston Children's Hospital Neighborhood Partnerships Program partnered with 11 schools in 2020-2021 to provide behavioral health services to 1,469 students and 1,500 hours of training and consultation to Boston school staff, greater investment would allow both parties to expand their capacity to address the currently unmet behavioral and mental health care needs in additional schools.

Today, BCH and FC together specialize in certain aspects of the continuum of care model, including expertise in complex psychiatric inpatient and outpatient care, and strong links with schools and community programs. However, there are acknowledged gaps, such as staffing shortfalls and needed infrastructure investment, which BCH and FC see as opportunities in coming together as corporate affiliates to reduce barriers and deliver care in the most appropriate settings. The Proposed Affiliation will allow the parties to jointly invest in staffing models that will enable a more expedited transfer to the right care setting for each individual patient and timely, equitable access to behavioral health services.

### Pediatric Post-Acute Care

The Children's Hospital Association estimates that the population of children with complex medical needs will grow at a rate of 5% annually.<sup>23</sup> As noted above, BCH receives approximately

<sup>21</sup> See *Boston Children's Hospital 2019 Community Health Needs Assessment Final Report*, available at <https://www.childrenshospital.org/community-health/community-health-needs>

<sup>22</sup> See MASS. DEP'T. OF PUB. HEALTH, BUREAU OF FAM. HEALTH & NUTRITION, *FY21 Application and FY2019 Report for the Maternal and Child Health Services Block Grant Program*.

<sup>23</sup> See CHILDREN'S HOSP. ASS'N., *Optimizing Health Care for Children with Medical Complexity*, (October 15, 2013) available at [https://www.childrenshospitals.org/-/media/Files/CHA/Main/Issues\\_and\\_Advocacy/Key\\_Issues/Children\\_With\\_Medical\\_Complexity/Issue\\_Briefs\\_and\\_Reports/OptimizingHealthCareReport\\_10152013.pdf](https://www.childrenshospitals.org/-/media/Files/CHA/Main/Issues_and_Advocacy/Key_Issues/Children_With_Medical_Complexity/Issue_Briefs_and_Reports/OptimizingHealthCareReport_10152013.pdf)

36% of admissions<sup>24</sup> statewide for children and adolescents with complex medical needs, and FC has experienced increased demand for its pediatric post-acute care services, reaching a peak of 14,786 patient days in FY19. *See* Table 7. Patients seeking outpatient speech therapy evaluations currently face a 4-12 week wait time for an evaluation at FC. Further, the wait time for speech therapy needed following an evaluation can range from 4-12 weeks for patients who can be seen in the morning and early afternoon, to as long as 9-12 months for patients who need to be seen after school.

BCH routinely sends patients to FC for post-acute care, including children who need rehabilitative care post-trauma, as well as medically complex children who require specific and specialized post-acute care. Specifically, in FY21, BCH transferred 91 patients to FC for such care, representing approximately 70% of FC's referral base for post-acute care. *See* Table 3, above. BCH has had the equivalent of five medical beds filled daily with patients who do not require the acute, intensive level of care that BCH offers, who would instead be most benefited by a transfer to FC to receive treatment in the post-acute care setting. However, staffing barriers and payor network limitations have slowed or stopped FC from accepting transfer of these patients, despite FC offering the most appropriate clinical setting. Instead, these patients frequently need to be transferred out of Massachusetts and out of New England because FC lacks the resources to develop capacity locally.

To compound these factors, a 2021 Health Policy Commission ("HPC") report highlighted that there is a shortage of pediatric specialists caring for this population who accept MassHealth which in turn can create access delays. The HPC also found that children with complex medical needs require specialty and sub-specialty treatment or inpatient care, and that children with medical complexities are disproportionately admitted for inpatient hospitalization compared to children from higher income families.<sup>25</sup> Furthermore, research funded by the Patient Centered Outcomes Research Institute ("PCORI") has also identified care coordination as a priority item.<sup>26</sup>

The Proposed Affiliation will allow the parties to invest in staffing models that will enable a more expedited transfer to the right care setting for each individual patient.

### Pediatric Dental Care

The patient population of children with medical complexities also experiences significant need for dental services. Patients with complex medical needs have challenges in accomplishing daily activities, especially self-care activities such as dental hygiene and oral health.<sup>27</sup> In addition,

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<sup>24</sup> *See* MASS. HEALTH POLICY COMM'N, *Children with Medical Complexity in the Commonwealth* (Oct. 6, 2021).

<sup>25</sup> *See* MASS. HEALTH POLICY COMM'N, *Children with Medical Complexity in the Commonwealth* (Oct. 6, 2021), pages 15 and 29.

<sup>26</sup> FC conducted a federally funded multi-year family engagement study funded by the PCORI which found that children with complex medical needs and their families are challenged by the complexity of the health care system as these families often rely on multiple health and social service systems, and navigate across multiple sources of care which is burdensome particularly in connection with care transitions. The study noted families' desire for general medical provider updates and help with coordination regarding appointments, medication, and urgent care. Parents expressed particular interest in medical homes and care teams' assistance.

<sup>27</sup> *See* NAT'L INST. OF DENTAL & CRANIOFACIAL RESEARCH, *Developmental Disabilities & Oral Health*, available at <https://www.nidcr.nih.gov/health-info/developmental-disabilities>.

patients with Medicaid coverage are more likely to have untreated dental concerns and it has been documented that poor oral health negatively impacts overall health.<sup>28</sup>

Following state-imposed limitations on dental services during the height of the COVID-19 pandemic, BCH and FC have each experienced and continue to experience a rebound in visits for dental services, as demonstrated in F1.a.i above. With such increased demand comes the need for further attention to care coordination.

**F1.a.iii, Competition**

**Provide evidence that the Proposed Project will compete on the basis of price, total medical expenses, provider costs and other recognized measures of health care spending. When responding to this question, please consider Factor 4. Financial Feasibility and Reasonableness of Costs.**

The Proposed Affiliation does not involve the consolidation or combination of competing hospitals. BCH is an acute care hospital. FC is a non-acute care hospital. In turn, FC and BCH offer distinct pediatric services. The parties will continue to compete in their respective service markets following the closing of the Proposed Affiliation.

Pediatric patients and their families in the Commonwealth face a fragmented health care system that can sometimes lead to inefficiencies and delays in care, which in turn generates more costly care. The Proposed Affiliation will reduce the fragmentation across the full care continuum by allowing for greater integration and coordination of each institution's robust existing inpatient, CBAT, outpatient, school, and community-based programming. The Proposed Affiliation will enable the Applicant and FC to combine their respective resources and expertise to add capacity to the health care system across the health care continuum in pursuit of reducing the number of children who present in a state of behavioral health crisis in emergency rooms and spend days waiting for care. The Proposed Affiliation will also ensure that this expanded access is available to all the acute care and community-based institutions that BCH and FC currently work with across the Commonwealth. Other Massachusetts providers can continue to rely on FC for its unique critical services as part of the larger care continuum for children with significant behavioral health needs or medical complexity requiring post-acute care. Because access to care is expected to increase as a result of the Proposed Affiliation, the Applicant reasonably expects that total medical spending on behavioral health and children will increase in the short-term as a result of care being provided to new patients who have otherwise been unable to access the care they need.

The BCH ACO serves approximately 20% of all pediatric MassHealth ACO enrollees, the highest percentage among the 17 MassHealth ACOs. It is the only statewide ACO dedicated to serving children and adolescents. As of June 30, 2020, BCH ACO membership had grown to 111,328 members. In general, BCH ACO takes on 75% of the financial risk for the plan. Furthermore, as a post-acute facility, FC provides care to pediatric ACO patients who may be transferred for specialized post-acute care.

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<sup>28</sup> See MASS. HEALTH DRISP, *Oral Health Integration for MassHealth ACOs*, available at <https://www.ma-dsrp-ta.com/wp-content/uploads/2020/09/Oral-Health-FAQ-Factsheet.pdf>.

Additionally, studies have found that children with comorbid behavioral health conditions, like those seen by BCH and FC, have significantly higher total health care costs compared with children not having behavioral health conditions.<sup>29</sup> Yet the Massachusetts Medicaid Policy Institute has noted that as health care payors, providers and policymakers move towards value-based payment models, there are limited opportunities for short-term, direct health care cost savings among pediatric populations.<sup>30</sup> However, research has found that investment in child well-being may yield long-term returns for the well-being of children, and in turn, generate a longitudinal societal benefit.<sup>31</sup>

**F1.b.i, Public Health Value/Evidence-Based**

**Provide information on the evidence-base for the Proposed Project. That is, how does the Proposed Project address the Need that Applicant has identified.**

BCH and FC have experienced several barriers to achieving their joint commitment to expanding access to timely and cost-effective pediatric behavioral health, rehabilitative, and dental care, including (i) the need for significant investment in existing facilities and infrastructure, (ii) staffing shortfalls in part driven by poor reimbursement, (iii) obstacles to coordination of care across the continuum, and (iv) lack of a robust community-based provider network. Through the Proposed Affiliation, and by becoming corporate affiliates, BCH and FC will be able to address these barriers. BCH and FC would be better able to support staffing needs jointly to improve coverage, integrate clinical systems to provide coordinated care across the continuum, invest jointly in facilities and infrastructure, and build a clinically integrated, robust community-based provider network for pediatric behavioral health.

Together, the Applicant and FC envision a comprehensive approach to pediatric behavioral health that fosters linkages and alignment with other providers and critical community supports such as social service agencies, primary care providers, public and private schools, civic and religious leaders, and other community organizations who seek to improve the health and well-being of children and families, including the development of preventive models of care. As corporate affiliates, BCH and FC can jointly enhance workforce development and training. The Proposed Affiliation will also allow for greater scale and financial stability supporting the preservation and advancement of FC's mission to provide a compassionate environment for children with complex medical, behavioral health and educational needs.

The Proposed Affiliation will build on FC's substantial expertise as the only pediatric post-acute chronic disease and rehabilitation hospital in the Commonwealth, as well as the decades of

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<sup>29</sup> See Suryavanshi MS, Yang Y, *Clinical and Economic Burden of Mental Disorders Among Children with Chronic Physical Conditions, United States, 2008–2013*. [Erratum appears in PREV. CHRONIC DIS. 2016;13. [http://www.cdc.gov/pcd/issues/2016/15\\_0535e.htm](http://www.cdc.gov/pcd/issues/2016/15_0535e.htm).] PREV. CHRONIC DIS. (2016), 13:150535 available at <http://dx.doi.org/10.5888/pcd13.150535>.

<sup>30</sup> The BCH ACO serves approximately 20% of all pediatric MassHealth ACO enrollees, the highest percentage among MassHealth ACOs. It is the only statewide ACO dedicated to serving children and adolescents. As of June 30, 2020, BCH ACO membership had grown to 111,328 members. In general, BCH ACO takes on 75% of the financial risk for the plan.

<sup>31</sup> See Brykman K, Houston R, Bailey M, *Value-Based Payment to Support Children's Health and Wellness* (September 2021), available at [https://www.bluecrossmafoundation.org/sites/g/files/cspkhs2101/files/2021-09/Value-Based%20Pmt\\_Childrens-Health\\_ExSum\\_FINAL.pdf](https://www.bluecrossmafoundation.org/sites/g/files/cspkhs2101/files/2021-09/Value-Based%20Pmt_Childrens-Health_ExSum_FINAL.pdf).

collaboration between FC and BCH in the treatment of children with complex medical needs. The Proposed Affiliation will allow FC the opportunity to expand its capabilities and service offerings, increasing access to state-of-the-art care for patients from health systems across the region through increased capacity, outpatient programming, locating subspecialists on its campus, expanded research, and enriched training of the next generation of pediatric leaders. The Proposed Affiliation will also ensure that the special education services offered through the Kennedy Day School and FC's dental surgery continue to be a focal point of FC's service delivery and the care continuum so that patients and students receive access to holistic and comprehensive services.

**F1.b.ii, Public Health Value/Outcome-Oriented**

**Describe the impact of the Proposed Project and how the Applicant will assess such impact. Provide projections demonstrating how the Proposed Project will improve health outcomes, quality of life, or health equity. Only measures that can be tracked and reported over time should be utilized.**

The parties anticipate that the Proposed Affiliation will provide both parties' Patient Panels with improved access to care, particularly with respect to unmet demand for behavioral health services, and thus provide for improved outcomes, patient quality of life and health equity as more fully discussed in Factor F1.a.ii. The Proposed Affiliation will allow the parties to combine their strengths to develop a system for a full continuum of pediatric behavioral health services, including school and community services, primary care integration, short-term residential programs, intensive outpatient services, and specialized inpatient care. By affiliating, the Applicant and FC will be able to lead change in the delivery of pediatric behavioral health and post-acute rehabilitation care, including to children with medical complexities, through development of integrated care delivery models and cutting edge research to allow children to reach their fullest potential and live their best lives, a vision the parties will seek to execute on in future filings once a sufficiently specific plan has been developed.

As part of the Proposed Affiliation, the parties will evaluate how to improve current processes in order to provide seamless clinical care to patients, and better support their families and caregivers. The parties envision establishing an integrated network of behavioral health service providers, supporting workforce development and improving staffing ability for behavioral health services, and expanding behavioral health research. Over time, the parties anticipate that the Proposed Affiliation will result in improved outcomes. To assess the impact of the affiliation, CMCC will evaluate the following measures:

1. The daily average of staffed beds for behavioral health services at BCH and FC.
2. The daily average of emergency department admissions at BCH.
3. The number of rehabilitation/post-acute patients transferred from BCH to FC.
4. The number of children who obtain dental services at BCH and FC.

**F1.b.iii, Public Health Value/Health Equity-Focused (Reducing Health Inequity)**

**For Proposed Projects addressing health inequities identified within the Applicant's description of the Proposed Project's need-base, please justify how the Proposed**

**Project will reduce the health inequity, including the operational components (e.g. culturally competent staffing). For Proposed Projects not specifically addressing a health disparity or inequity, please provide information about specific actions the Applicant is and will take to ensure equal access to the health benefits created by the Proposed Project and how these actions will promote health equity.**

The Proposed Affiliation will promote health equity, including among the underserved, and will not restrict the accessibility of either BCH or FC services for vulnerable and/or Medicaid-eligible individuals. The parties do not discriminate based on ability to pay and this practice, as well as both parties' respective missions to serve children needing specialized services, will continue following consummation of the closing of the Proposed Affiliation. Throughout the United States, Medicaid, together with the Children's Health Insurance Program, covers almost half of all children with special health care needs.<sup>32</sup> According to the Massachusetts Medicaid Policy Institute, approximately 41% of children and young adults in the Commonwealth are covered by MassHealth.<sup>33</sup>

FC serves a vulnerable population, with the majority of FC's patients on Medicaid and many having social challenges that require involvement from the Department of Children and Families. As noted in the FY 2019 Massachusetts Hospital Profiles, FC had a public payor mix of 64.7% in 2019.<sup>34</sup> Across FC's diverse programs, the children served are those with complex medical and behavioral health challenges, children who struggle to receive services elsewhere because of the shortages of services tailored to meet their needs. Through the Proposed Affiliation, more children with complex medical and behavioral health needs will be able to receive services. Expansion of behavioral health services was a need strongly identified by community members and community-based organizations in FC's most recent 2021 CHNA.

The outpatient and community-based behavioral health programs that FC and BCH each operate will be integrated and expanded to reach more children. For example, FC and BCH both operate school-based behavioral health programs, providing on-site counseling and psychiatry services for students in need, working in tandem with school administrators, guidance counselors, and teachers. School-based behavioral health programs are fundamental to health equity, ensuring access to those who do not have the ability to travel to receive services. Additionally, the Proposed Affiliation will allow FC to expand its dental service programming as a result of the expertise and resources generated through the corporate affiliation, helping to meet another community need identified in its 2021 CHNA.

Furthermore, both institutions recognize the critical importance of diversity, equity, and inclusion efforts and are committed to expanding them through the Proposed Affiliation. In 2020, FC

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<sup>32</sup> See Elizabeth Williams and MaryBeth Musumeci, *Children with special health care needs: Coverage, affordability, and HCBS Access*, KFF (October 4, 2021), available at <https://www.kff.org/medicaid/issue-brief/children-with-special-health-care-needs-coverage-affordability-and-hcbs-access/>.

<sup>33</sup> See MASS. MEDICAID POL'Y INST., *MassHealth: The Basics, Facts and Trends* (October 2020), available at [https://www.bluecrossmafoundation.org/sites/g/files/csphws2101/files/2020-10/MassHealthBasics\\_Oct2020\\_Final.pdf](https://www.bluecrossmafoundation.org/sites/g/files/csphws2101/files/2020-10/MassHealthBasics_Oct2020_Final.pdf).

<sup>34</sup> See CTR. FOR HEALTH INFO. & ANALYSIS, *FY 2019 Massachusetts Hospital Profiles* (March 2021), available at <https://www.chiamass.gov/assets/docs/r/hospital-profiles/2019/FY19-Massachusetts-Hospital-Profiles-Compendium.pdf>.

established a multi-disciplinary committee to keep diversity and equity at the forefront of all efforts, and it has been actively engaged in education and training of staff and conducting a needs assessment informed by workforce surveys, focus groups, and town halls. In parallel, BCH released a "Declaration on Equity, Diversity, and Inclusivity," establishing six goals that prioritize health equity in 2020. Among the stated goals, BCH committed to an inclusive environment, a diverse workforce, eliminating structural racism, advancing culturally effective pediatric care delivery, eliminating child health disparities, and developing and tracking metrics for equity, diversity, and inclusion. The Proposed Affiliation will facilitate FC's implementation of its need assessment findings, providing necessary resources to further diversity, equity, and inclusion efforts, and will also allow the parties to continue their missions to develop the next leaders in pediatric behavioral health and pediatric rehabilitation through enrichment and advancement of academic programs to support workforce development, including through culturally competent staffing. Consistent with all of BCH's facilities, BCH will make available interpreters in more than 35 languages to assist patients and families through Interpreter Services. FC similarly contracts with a third party to provide on demand, over-the-phone, and video remote interpretation services to serve patients and families with Limited English Proficiency in all of its departments, clinics and programs. These interpreters are provided to families at no cost to foster clear and accurate communication in more than 100 languages, including American Sign Language.

BCH continues to develop and track health disparity metrics, particularly with regard to its BCH ACO. BCH is in the process of collecting and analyzing data regarding health disparities and access to care by race, ethnicity and language, including as it relates to population health priorities such as obesity and asthma.

**F1.b.iv, Public Health Value/Health Equity-Focused (Additional Information)**

**Provide additional information to demonstrate that the Proposed Project will result in improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity.**

The Applicant and FC anticipate that the Proposed Affiliation will improve health outcomes and quality of life for their existing Patient Panels through increased coordination of pediatric behavioral health care and services across the continuum, and allowing for the future expansion of services needed in the Commonwealth and creation of new programs and levels of care. BCH anticipates that enhanced access to these services will allow for timely treatment in an appropriate setting, which may result in fewer complications and thus improved health and quality of life outcomes. Both institutions will work together to share collective resources and expertise, while strengthening collaborations and uniting with other providers in the care continuum. For example, the Proposed Affiliation will strengthen FC's pediatric post-acute care program through the additional subspecialty care and expertise that BCH can provide. In addition, the parties will share collective resources and knowledge around behavioral health to further expand existing acute and non-acute behavioral health programs and endeavor to build intermediate levels of care (e.g. partial hospitalization, intensive outpatient) desperately needed in the health care system. Recognizing that the environment plays an integral role in a child's treatment and their families' experiences, the Proposed Affiliation will allow the parties to modernize and expand FC's facilities and facilitate needed expansion of behavioral health and rehabilitative services in the Commonwealth to increase access.



In addition, the Proposed Affiliation will allow for the expansion of research to advance understanding of behavioral health disorders, translate research into improved drug/behavioral therapies and develop standard of care protocols. Through the Proposed Affiliation's clinical integration and access to funding, the parties hope to be able to provide their pediatric patients with new treatments that will lead to improved health outcomes and quality of life.

This affiliation will allow BCH to align its behavioral health services at the FC campus, with a vision towards a larger strategy of increasing and diversifying patient access points for community-based care to meet the behavioral health needs of the patient community. FC is the only pediatric post-acute chronic disease and rehabilitation hospital in Massachusetts and its programs serve children and families living throughout the Commonwealth. The Proposed Affiliation will provide the opportunity to locate at a single site the parties' beds licensed for behavioral health services,<sup>35</sup> furthering efforts to better coordinate care to achieve better outcomes. The Applicant intends to maintain the integration of behavioral health services at its other affiliates.

#### **F1.c, Furthering and Improving Continuity and Coordination of Care**

**Provide evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, how the Proposed Project will create or ensure appropriate linkages to patients' primary care services.**

The Proposed Affiliation will enable the Applicant and FC to provide a more complete continuum of care and coordinate care more efficiently for their Patient Panels. BCH currently sends patients to FC for certain services not offered by BCH and/or services for which BCH has limited capacity, transferring 91 patients in FY21. *See* Table 3, above. In instances where a patient may then need to return to BCH for additional treatment, delays in care may result. In addition, the health care system components for pediatric medically complex and behavioral health care is fragmented, and FC is currently unable to track patients post-discharge. The Proposed Affiliation will integrate FC with the Applicant and its affiliates, providing for greater coordination of care for both Patient Panels and a strengthened continuum of care, reducing fragmentation in the system and promoting efficiency.

The parties will endeavor to expand existing behavioral health and rehabilitative services fundamental to the health care system and develop new levels of needed care across the health care continuum to ensure coordination of care. BCH operates an integrated pediatric delivery system comprising pediatric inpatient medical and surgical care, intensive care and neonatal intensive care, emergency services, and more than 150 ambulatory programs and services.

BCH provides primary care services to over 400,000 children throughout the Commonwealth. Primary care is provided directly at its primary care center, Children's Hospital Primary Care Center, and through the PPOC, a network of more than 400 licensed health care professionals devoted exclusively to pediatric primary care in collaboration with BCH specialists. The BCH

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<sup>35</sup> BCH will continue to care for behavioral health patients with co-morbid medical conditions on its Longwood campus.

ACO, with over 500 primary care providers at over 100 locations across the Commonwealth, provides primary care services for nearly 20% of all children and young adults enrolled in MassHealth ACOs. Through this corporate affiliation, BCH will be able to incorporate FC into this pediatric care network and further strengthen existing linkages in its efforts to build out a more robust, clinically integrated community-based provider network. Working as a system under the Proposed Affiliation, the parties will be able to partner with other providers across the Commonwealth to foster linkages and alignment between FC, BCH, primary care providers, social service agencies, schools, civic and religious leaders, and other community organizations to improve the health and well-being of children and families. As part of this Proposed Affiliation, the parties will continue to explore opportunities to improve the exchange of information between both institutions and other health care providers to facilitate continuity and coordination of care.

**F1.d, Consultation with Government Agencies**

**Provide evidence of consultation, both prior to and after the Filing Date, with all Government Agencies with relevant licensure, certification, or other regulatory oversight of the Applicant or the Proposed Project.**

Throughout the planning and development of the Proposed Affiliation, BCH and/or FC have sought, and continue to seek, discussions with individuals at various regulatory agencies within the Commonwealth. While there will be continued discussions with additional regulatory agencies as the Proposed Affiliation proceeds, the following agencies and individuals are some of those with whom BCH and/or FC have consulted regarding the Proposed Affiliation:

- Executive Office of Health and Human Services;
- Massachusetts Office of the Attorney General;
- Health Policy Commission;
- Department of Public Health: Office of the Commissioner, Office of Legal Counsel, Determination of Need Program, Bureau of Health Care Safety and Quality, Office of Health Equity, and Division for Children & Youth with Special Health Needs;
- MassHealth: Office of the Medicaid Director, Office of Behavioral Health, and Office of Long-Term Supports and Services;
- Department of Mental Health;
- Department of Elementary and Secondary Education
- Department of Early Education and Care

In addition, the Applicant and FC have begun consulting with the City of Boston, including Office of the Mayor, the Boston Public Health Commission, the Boston Planning and Development Agency, and the Office of District Councilor Liz Breadon, as well as the Allston-Brighton state delegation in preparation of developing an institutional master plan for FC.

**F1.e.i. Process for Determining Need/Evidence of Community Engagement**

**For assistance in responding to this portion of the Application, Applicant is encouraged to review Community Engagement Standards for Community Health Planning Guideline. With respect to the existing Patient Panel, please describe the process through which Applicant determined the need for the Proposed Project.**

In recognition of the growing behavioral health care crisis affecting the pediatric population in recent years and the prioritization of behavioral health services in their respective Community Health Needs Assessments, both BCH and FC have explored efforts to address access and capacity constraints. Through its Board of Directors, BCH engages in multi-year planning processes and continuously evaluates opportunities to better serve its Patient Panel and further its mission as such may arise. BCH has consulted with senior physician leaders, state and local agencies and officials, other providers and provider organizations, community groups, specialty disease and advocacy groups, and patient groups. Together, BCH and FC seek to expand on their existing clinical and programmatic affiliation in consideration of the ongoing and future need for greater access to pediatric behavioral health services.

**F1.e.ii. Evidence of Community Engagement/Public Health Value**

**Please provide evidence of sound Community Engagement and consultation through the development of the Proposed Project. A successful Applicant will, at a minimum, describe the process whereby the "Public Health Value" of the Proposed Project was considered, and will describe the Community Engagement Process as it occurred and is occurring currently in, at least, the following contexts: Identification of Patient Panel Need; Design/Selection of DoN Project in response to "Patient Panel" need; and Linking the Proposed Project to "Public Health Value".**

As noted above in F1.e.i., the Proposed Affiliation is the result of the Applicant's and FC's continuous efforts to address the ongoing pediatric behavioral health care crisis and access to services for medically complex children. These continuous efforts are rooted in the Applicant's and FC's respective overarching missions of providing the highest quality health care, being a leader in research and discovery, educating the next generation of leaders in health care, and enhancing the health and well-being of the children and families in the local community.

In deepening their existing clinical and programmatic affiliations, the Proposed Affiliation allows the Applicant and FC to align their respective strengths to develop a more coherent and connected continuum for specialized pediatric behavioral health services, post-acute care for medically complex children, and dental care for pediatric patients with behavioral health-related sensitivities. However, to inform and consult the community about the Proposed Affiliation, BCH and FC have sought to engage the patient panels, family members, community members, and local stakeholders that may be impacted by the Proposed Affiliation.

Community engagement occurred through various initiatives, as outlined below. One of the most significant steps in the engagement process, was both BCH's outreach to its Family Advisory Council ("FAC") and FC's outreach to its Patient Family Advisory Council ("PFAC").

The BCH FAC was formed to provide an important forum for creating partnerships among patients, families and staff dedicated to ensuring the delivery of high quality, safe and positive

memorable health care experiences at BCH. The BCH FAC was chosen because the FAC's goals include ensuring the delivery of high quality, safe and positive memorable health care experiences across BCH care continuum. During the BCH FAC February 2022 meeting, members of the BCH Government Relations team informed FAC members of the need for the Proposed Affiliation and the expanded programs and services that will be offered by the Proposed Affiliation. Feedback from the FAC members were generally supportive of the Proposed Affiliation.

The FC PFAC was formed to serve as a formal advisory group of patients, caregivers, and staff, with direct input and influence on policies, programs, and practices impacting children and families. The PFAC represents the interests of families and patients with complex medical and behavioral health needs and represents FC's diverse programs. The main goal of the PFAC is to continuously improve understanding and communication between FC staff and the family members served. During FC's February 2022 PFAC meeting, Jennifer Atlas, FC's Assistant Vice President, Strategy and Government Relations, informed PFAC members of the need for the Proposed Affiliation and the expanded programs and services that will be offered by the Proposed Affiliation. Feedback from the meetings was generally supportive of the Proposed Affiliation.

In addition to the BCH FAC and the FC PFAC, the Proposed Affiliation was informed by ongoing discussions with key community stakeholders, patient advocates, and thought leaders, including but not limited to:

- Children's Hospital Association;
- Children's Mental Health Campaign;
- Federation for Children with Special Health Care Needs/Family Voices;
- Parent/Professional Advocacy League;
- Massachusetts Association of Behavioral Health Systems;
- Health Care for All;
- Health Law Advocates;
- The Massachusetts Society for the Prevention of Cruelty to Children;
- Allston-Brighton Health Collaborative;
- Allston-Brighton Substance Use Task Force.

To ensure appropriate awareness within the community about the Proposed Affiliation, the Applicant and FC also conducted general outreach to:

- The Massachusetts provider community, including the PPOC, the Massachusetts Medical Society, the Massachusetts Health and Hospital Association, Massachusetts League of Community Health Centers and individual members, the Conference of Boston Teaching Hospitals, the Massachusetts Association of Behavioral Healthcare, the Association of Behavioral Health.
- Outreach to community leadership including, but not limited to the Brighton Allston Improvement Association, the Allston Civic Association, the Allston-Brighton Health Collaborative, the Allston-Brighton Substance Use Task Force, the West End House/Boys and Girls Clubs of Massachusetts, and Charles River Community Health Center.

The Applicant and FC have explored efforts via their respective Community Health Needs Assessments to address access and capacity constraints. In addition to the above-mentioned community outreach efforts, the FC Board of Trustees and BCH Board of Trustees each have engaged in multi-year planning processes, and have continuously evaluated opportunities to better serve their organizations' respective Patient Panels and further their respective missions as such opportunities may arise. FC and BCH have each consulted with senior physician leaders, state and local agencies and officials, other providers and provider organizations, community groups, specialty disease and advocacy groups, and patient groups. Together, BCH and FC seek to expand on their existing clinical and programmatic affiliation in consideration of the ongoing and future need for greater access to pediatric behavioral health services.

Following the filing of this Application, the Applicant and FC plan to continue their outreach efforts regarding the Proposed Affiliation.

## **Factor 2      Health Priorities**

**Addresses the impact of the Proposed Project on health more broadly (that is, beyond the Patient Panel) requiring the Applicant demonstrate that the Proposed Project will meaningfully contribute to Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation.**

### **F2.a, Cost Containment**

**Using objective data, please describe for each new or expanded service, how the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment.**

While the Proposed Affiliation is expected to facilitate expanded access to much needed pediatric behavioral health services, rehabilitation services, and dental services, the Proposed Affiliation itself—namely, the Applicant becoming the sole corporate member of FC—does not directly include new or expanded services. The Applicant takes a long-term view of promoting the Commonwealth's goals for cost containment, improved health outcomes, and delivery system transformation. The closer integration of BCH and FC will allow for enhanced care coordination and an improved continuum of care for the pediatric population.

Providing broader access to pediatric behavioral health services, rehabilitation services, and dental services will not only address in the short term the crisis noted in the Commonwealth's Roadmap for Behavioral Health Reform and the U.S. Surgeon General's advisory on youth mental health, but it also serves as part of a long-term strategy of the parties to improve the physical and mental health of children for decades to come. Studies have shown that if not properly addressed, childhood mental health conditions often persist into adulthood and may result in negative social outcomes and increased financial burdens on social support and disability programs.<sup>36</sup> By providing timely and appropriate care to complex medical populations, the parties reduce the need for other more intensive and expensive downstream care that may result when clinically appropriate care that is delayed, thereby supporting the Commonwealth's cost containment goals.

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<sup>36</sup> See Suryavanshi MS, Yang Y, *Clinical and Economic Burden of Mental Disorders Among Children with Chronic Physical Conditions*.

As noted in F1.a.iii above, BCH has the equivalent of five children in acute-care beds daily who do not require acute care services, but who cannot be transferred for clinically appropriate post-acute care at FC because of FC's staffing limitations and payor contracting barriers. Through the Proposed Affiliation, the Applicant and FC will explore new staffing models and opportunities to address staffing shortfalls that delay patients from receiving care in FC's lower-cost, clinically appropriate post-acute setting. BCH continuously evaluates and evolves its strategy in the pursuit of its mission to provide the highest quality of health care, to lead the way in research and discovery, to educate the next generation of leaders in health care, and to enhance the health and well-being of the children and families in the local community. Recognizing the alignment with the historic mission of FC, the Proposed Affiliation will contribute to BCH's and FC's ability to achieve their missions and improve each child's health for the rest of their lives.

As described in F1.a.iii above, the Massachusetts Medicaid Policy Institute has found that value-based payment models that incentivize short-term savings may not optimally serve most pediatric patients, and that a longer-term view of investment in the pediatric population is more appropriate. The Applicant and FC share this view as they provide their patients much-needed care to improve their life-long health and well-being. Through the Proposed Affiliation, the parties will dedicate significant resources necessary to fundamentally transform and reimagine the delivery of pediatric care for children with behavioral health and complex post-acute medical and rehabilitation needs. As the requisite first step in achieving this vision, the Proposed Affiliation will build on the parties' investment in the pediatric population and, with a long-term view, will meaningfully contribute to the Commonwealth's cost containment goals.

### **F2.b, Public Health Outcomes**

**Describe, as relevant, for each new or expanded service, how the Proposed Project will improve public health outcomes.**

The Proposed Affiliation does not directly include new or expanded services. The corporate affiliation is intended to preserve necessary services already being provided by FC, bolstered by necessary capital investment and providing for greater care coordination. In addition to financial stability, the Proposed Affiliation will allow the parties to share collective resources and expertise and position the parties as a regional hub for pediatric rehabilitative and behavioral health care. As seen in its Patient Panel in F1.a.i, FC focuses on providing services to a unique pediatric population that is underserved, in particular children who need post-acute and chronic care. The Proposed Affiliation will not only preserve this mission, but will provide the resources for it to grow. As with cost containment, the parties take a long-term view of public health outcomes, providing specialized services responsive to the needs of children with conditions that often could not have been prevented. However, such services, through timely intervention and ongoing supportive care, can mitigate the impact of such conditions and help children become the healthiest adults they can be.

The Proposed Affiliation will also allow the parties to strengthen their workforce, providing enhanced training, support, and administrative resources. Given the diverse and complex pediatric population the parties serve, the diversity and competency of their staff cannot be overstated. The affiliation will ensure a strong, diverse, and competent workforce of committed individuals rooted

in their communities, helping to address the social determinants of health in their local communities.

### **F2.c, Delivery System Transformation**

**Because the integration of social services and community based expertise is central to goal of delivery system transformation, discuss how the needs of their patient panel have been assessed and linkages to social services organizations have been created and how the social determinants of health have been incorporated into care planning.**

BCH and FC each have an established community health mission and have worked to establish linkages with community partners and social services organizations, as well as developing programs targeted at addressing health care social determinants of health. For example, both FC and BCH operate behavioral health programs in area school systems, bringing much needed care to the community to treat the underserved. Through the BCH ACO, BCH supports initiatives aimed at promoting health equity by reducing social barriers to optimal health and well-being, including initiatives in population management, behavioral health, asthma management, response to social needs, complex care, and regional support. The Proposed Affiliation will unite resources and expertise to move forward the parties' initiatives aimed at addressing the social determinants of health.

BCH and FC each conduct a comprehensive community health needs assessment every three years. FC's 2021 assessment identified two key priorities of improving access to behavioral health services and improving access and raising awareness of dental services. FC's implementation plan for the community health plan needs assessment that was in place before the Affiliation Agreement set the below goals for these priorities. *See Figure 2.* The Proposed Affiliation will support FC's efforts to achieve these goals.

**Figure 2. FC Implementation Plan**

Goals from Franciscan Children's 2021 Community Health Needs Assessment	
<b>Goal 1: Improve access to mental health services in Allston/Brighton</b>	
Expand school-based, community-based, and on-site outpatient mental health programs	
<ul style="list-style-type: none"> <li>• Further integrate and expand the continuum of care on mental health</li> <li>• Train staff on the provision of trauma-informed care</li> <li>• Promote awareness of existing mental health services</li> </ul>	
<b>Goal 2: Improve access to and raise awareness of dental services in Allston/Brighton</b>	
<ul style="list-style-type: none"> <li>• Expand outreach through diverse communications channels to community groups and providers</li> <li>• Increase capacity in Franciscan Children's outpatient dental clinic</li> <li>• Explore additional service offerings</li> </ul>	

BCH's key themes of the assessment include how poverty impacts child and community health, access to stable and affordable housing, concerns about food access and insecurity, and the importance of prevention and focus on early childhood. BCH's 2019 assessment indicates that families continue to be concerned with health issues around asthma, obesity, and mental/behavioral health. The assessment's findings have informed BCH's Strategic Implementation Plan, which outlines how resources will be used and how it will partner with others to improve community health. *See Figure 3.* The chart included below sets forth the goals and objectives of the Hospital's

Community Health Strategic Implementation Plan of December 2019. The corporate affiliation between the Applicant and FC will allow for additional expertise and resource support to further efforts to achieve the stated objectives, as well as enhance the impact of such efforts across both parties' Patient Panels and workforce.

**Figure 3. BCH Strategic Implementation Plan**

<b>GOAL 1: Promote mental health and emotional wellness by nurturing resilient communities and building equitable, accessible, and supportive systems of care</b>
<b>OBJECTIVE 1.1:</b> By 2022, increase the number of diverse, culturally/linguistically competent licensed clinical behavioral health workers and community-based behavioral health caregivers
<b>OBJECTIVE 1.2:</b> By 2022, increase the number of non-traditional places/settings for children and families to access behavioral services and resources
<b>OBJECTIVE 1.3:</b> By 2022, identify resources and supports to increase mental health and trauma services and supports where children live and learn in BCH priority communities (Dorchester, Jamaica Plain, Roxbury, Mission Hill/ Fenway, Mattapan)
<b>GOAL 2: Support safe, stable, healthy, equitable, affordable housing for children and families</b>
<b>OBJECTIVE 2.1:</b> By 2022, work toward policy and systems changes that would decrease the number of low/moderate-income families with children who are homeless or housing insecure.
<b>OBJECTIVE 2.2:</b> By 2022, increase pathways to mobility for low-income families through approaches that build assets and facilitate homeownership.
<b>GOAL 3: Support youth-centered and engaged programming to drive improvements in career planning and youth workforce services</b>
<b>OBJECTIVE 3.1:</b> By 2022, increase the engagement and participation of youth in youth-development programs in BCH priority neighborhoods
<b>OBJECTIVE 3.2:</b> By 2022, increase over identified baseline, the number of youth who engage in advocacy activities that can influence decisions made by City/State/Federal government that contribute to their wellness and the health of their community
<b>GOAL 4: Improve health and quality of life outcomes for children with asthma</b>
<b>OBJECTIVE 4.1:</b> By 2022, reduce the racial disparity in emergency department visits and hospitalizations due to asthma in children
<b>GOAL 5: Provide culturally relevant supports to children and families that encourage them to have healthy weight and increase access to affordable and nutritious food</b>
<b>OBJECTIVE 5.1:</b> By 2022, increase collaboration and alignment of existing Boston Children's healthy weight and nutrition programs and initiatives
<b>GOAL 6: Set a high trajectory for success in school and life among children birth to 5-years old</b>
<b>OBJECTIVE 6.1:</b> By 2022, expand training and quality improvement supports for early education and care (EEC) community-based providers
<b>OBJECTIVE 6.2:</b> By 2022, enhance engagement and skill building for parents and families with children birth to 5-years old through community programing
<b>OBJECTIVE 6.3:</b> By 2022, advocate and collaborate to increase the amount of flexible, affordable, high quality child care for children birth to 5-years old



## Exhibit 2: Notice of Intent

**Public Announcement Concerning a Proposed Health Care Project**

The Children's Medical Center Corporation (located at 300 Longwood Avenue, Boston, MA 02115) and Franciscan Hospital for Children (located at 30 Warren Street, Brighton, MA 02135) ("Franciscan Children's") intend to file a determination of need application ("Application") with the Massachusetts Department of Public Health with respect to an affiliation through which The Children's Medical Center Corporation will become the sole corporate member of Franciscan Children's, which constitutes a Transfer of Ownership under the determination of need regulations. The affiliation will enable the promotion of a more robust and efficient delivery of behavioral health and post-acute medical and rehabilitative care for pediatric patients. The Total Value of the transaction is approximately \$55,821,519. Any Ten Taxpayers of Massachusetts may register in connection with the intended Application by April 20 or 30 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, 250 Washington Street, 6<sup>th</sup> Floor, Boston, MA 02108.





**Boston Herald**

**LOCAL DRUG & ALCOHOL ADDICTION TREATMENT AND FAMILY SUPPORT SERVICES**

**Recovery Centers of America** was founded on the mission of helping people achieve recovery through evidence-based alcohol and drug addiction treatment.

At Recovery Centers of America, patients receive individualized treatment programs and long-term care plans to set them up for lifelong recovery. Our full continuum of care includes detox, residential care, at levels of outpatient care (available both in-person and via telehealth), alumni services and family support.

\* In addition to RCA's core curriculum, patients benefit from specialized programs and services, such as:

- PRISER**, for patients experiencing a relapse.
- Evolutions**, for patients 50 years or older.
- RESCU**, for first responders, military and veterans.
- THRIVE**, for medical and behavioral health professionals.
- Frontline**, for patients in the LGBTQIA+ community.
- BALANCE**, a program that treats patients with additional co-occurring mental health disorders.
- WORKSPACE**, a service that allows professionals and students to maintain work/school obligations while in treatment.

Recovery Centers of America removes barriers to treatment by providing both intensive residential and transportation services. And because we accept most private insurance plans, patients get premium care without the premium price.

**We Answer the Phone & Admit Patients 24/7**

**CALL TODAY: 978-882-9748**

**RecoveryCentersOfAmerica.com**

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**By Nick Sorey**

The memorials and tributes have been pouring in for the Massachusetts State Police trooper who was killed in a crash last week, including from a 13-year-old boy who ran in honor of the fallen trooper.

Zachariah Cartledge of Florida ran a mile while carrying a blue light flag over the weekend in honor of fallen Massachusetts State Police Trooper Timar Bucchi.

The boy from the nonprofit Running 4 Heroes said he's sending the flag to Bucchi's family, along with a handwritten note.

"We hope you all heal," Zachariah said in a Facebook video, addressing Bucchi's family, friends and the state Police. "I know she was an incredible person."

T h e Public Association of Massachusetts tweeted about the video: "Thank you Zachariah, we are beyond words. Your kindness and compassion..."

Bucchi, 34, a two-year veteran of the department, was

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**Public Announcement Concerning a Proposed Health Care Project**

The Children's Medical Center Corporation (located at 300 Longwood Avenue, Boston, MA 02115) and Franciscan Hospital for Children (located at 30 Warren Street, Brighton, MA 02130) ("Franciscan Children") intend to file a determination of need application ("Application") with the Massachusetts Department of Public Health with respect to an affiliation agreement between the two entities. The proposed affiliation would become the sole corporate member of Franciscan Children's, which constitutes a Transfer of Ownership under the determination of need regulations. The affiliation will enable the promotion of a more robust and efficient delivery of behavioral health and post-acute medical and rehabilitative care for pediatric patients. The Total Value of the transaction is approximately \$55,821,519. Any Ten Taxpayers of Massachusetts may register in connection with the Intended Application by April 30 or 20 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, 250 Washington Street, 6th Floor, Boston, MA 02108.

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LEGAL NOTICES	LEGAL NOTICES	LEGAL NOTICES	LEGAL NOTICES	LEGAL NOTICES	LEGAL NOTICES
<b>Public Notice</b> The Boston Planning & Development Agency (BPDA) is seeking the assistance of a professional architect to design a new building located at 300 Longwood Avenue, Boston, MA 02115. The project is a 10-story, 100,000 square foot building. The BPDA is seeking proposals for architectural services. Interested parties should submit their proposals to the BPDA by March 15, 2022. For more information, visit <a href="http://www.bpdaboston.gov">www.bpdaboston.gov</a> .	<b>Notice of Intent to Amend</b> The Commonwealth of Massachusetts is seeking to amend its General Laws Chapter 140A, Section 1B, regarding the regulation of child support enforcement. The amendment aims to streamline the process for establishing and enforcing child support orders. Comments should be submitted to the Department of Social Services by March 10, 2022.	<b>Notice of Public Hearing</b> The Board of Selectmen for the Town of Framingham is holding a public hearing on the proposed annual budget for 2023. The hearing will take place on March 20, 2022, at 7 PM. The agenda includes a review of the budget and an opportunity for residents to provide input. For details, contact the Town Office.	<b>Notice of Sale</b> The Commonwealth of Massachusetts is announcing a public sale of land located in the town of Framingham. The land is being sold pursuant to a court order. The sale will take place on March 25, 2022, at 10 AM. For more information, visit the website of the Department of Lands and Forestry.	<b>Notice of Meeting</b> The Executive Director of the Department of Social Services is inviting members of the public to attend a meeting on the topic of child welfare reform. The meeting will be held on March 18, 2022, at 10 AM. Registration is required. Visit <a href="https://dss.mass.gov">dss.mass.gov</a> for details.	<b>Notice of Award</b> The Commonwealth of Massachusetts has awarded a contract to a vendor for the provision of IT services. The contract value is approximately \$1 million. The award was made following a competitive bidding process. For more information, contact the Procurement Division.

---

**CROSSWORD SOLUTION**

ATLAS	PANS	SCAN	5	3	1	2	8	9	6	7	4
MOIST	AREAS	ARLO	6	7	8	5	4	1	3	9	2
POLAR	SORT	MALT	3	9	2	6	7	8	5	1	4
SNAP	OUT	FIT	CE	4	2	9	7	3	6	5	8
NBA	ROCKY										
USAGE	STELLA										
ARDS	RATE	DION									
BALK	SCENT	POLO									
SLIME	ANDY	OKE									
TOMATO	PANES										
OHMAN	GEM										
GIMME	ABREAK										
ACID	MAINE	HAVE									
BARN	LITE	LEERIE									
URSA	LTE	NASAL									

**SUDOKU SOLUTION**

5	3	1	2	8	9	6	7	4
6	7	8	5	4	1	3	9	2
3	9	2	6	7	8	5	1	4
4	2	9	7	3	6	5	8	1
3	9	2	6	7	8	5	1	4
1	8	6	3	9	5	2	4	7
7	5	4	1	2	8	9	3	6
8	4	5	6	3	7	2	9	1
9	1	8	7	2	4	6	3	5
2	6	3	9	7	4	1	5	8

---

**Don't store your boat or motorcycle...SELL IT!**

**Boston Herald Classifieds**  
**817.423.4545**

(WITH THAT STONE REMOVED...)

**JUMBLE SOLUTION**

**SWEPT GLOAT SHRANK NEATLY**  
Teaching someone about using a hammer is simple because it's EASY TO GRASP

**MONDAY, MARCH 7, 2022**

**BOSTON HERALD**

# Public Announcement Boston Children's Hospital Website

## March 7, 2022

childrenshospital.org/about-us/expansion-and-renewal/public-announcement



Boston Children's Hospital

Pay Your Bill

MyChildren's Patient Portal

International Visitors

Ways to Help

Careers

Donate

For Patients

For Health Care Professionals

Programs & Services

Conditions & Treatments

Research

Digital Health



# About Boston Children's Hospital



Request An Appointment



Request A Second Opinion

About Us

Awards

Expansion and Renewal



Hale Family Building



Longwood Campus  
Renewal



Proposed Projects:  
Waltham, Weymouth,  
Needham

## Legal Notice

### Public Announcement Concerning a Proposed Health Care Project

The Children's Medical Center Corporation (located at 300 Longwood Avenue, Boston, MA 02115) and Franciscan Hospital for Children (located at 30 Warren Street, Brighton, MA 02135) ("Franciscan Children's") intend to file a determination of need application ("Application") with the Massachusetts Department of Public Health with respect to an affiliation through which The Children's Medical Center Corporation will become the sole corporate member of Franciscan Children's, which constitutes a Transfer of Ownership under the determination of need regulations. The affiliation will enable the promotion of a more robust and efficient delivery of behavioral health and post-acute medical and rehabilitative care for pediatric patients. The Total Value of the transaction is approximately \$55,821,519. Any Ten Taxpayers of Massachusetts may register in connection with the intended Application by April 20 or 30 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, 250 Washington Street, 6th Floor, Boston, MA 02108.



## Public Announcement Franciscan Hospital for Children's Website

March 7, 2022



franciscanchildrens.org/blog/public-announcement-concerning-a-proposed-health-care-project/



Franciscan Children's

*So every kid can.*

[Medical](#) [Mental Health](#) [Education](#) [Resources](#) [Get Involved](#) [Join](#)



OUR BLOG



### Public Announcement Concerning a Proposed Health Care Project

by Admin2 on March 7th, 2022 | [add a comment](#)

The Children's Medical Center Corporation (located at 300 Longwood Avenue, Boston, MA 02115) and Franciscan Hospital for Children (located at 30 Warren Street, Brighton, MA 02135) ("Franciscan Children's") intend to file a determination of need application ("Application") with the Massachusetts Department of Public Health with respect to an affiliation through which The Children's Medical Center Corporation will become the sole corporate member of Franciscan Children's, which constitutes a Transfer of Ownership under the determination of need regulations. The affiliation will enable the promotion of a more robust and efficient delivery of behavioral health and post-acute medical and rehabilitative care for pediatric patients. The Total Value of the transaction is approximately \$55,821,519. Any Ten Taxpayers of Massachusetts may register in connection with the intended Application by April 20 or 30 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, 250 Washington Street, 6 th Floor, Boston, MA 02108.

## Exhibit 3: Affidavit of Truthfulness



**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](mailto:dph.don@state.ma.us) Include all attachments as requested.

Application Number: BCH-22031810-TO Original Application Date: March 21, 2022

Applicant Name: The Children's Medical Center Corporation

Application Type: Transfer of Ownership

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

Describe the role /relationship: Sole Member

The undersigned certifies under the pains and penalties of perjury:

1. The Applicant is New Corporate Parent;
2. I have been informed of the contents of 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 been informed of the contents of this application for Determination of Need including all exhibits and attachments, and been informed that all of the information contained herein is accurate and true;
5. I have submitted the correct Filing Fee and understand it is nonrefundable pursuant to 105 CMR 100.405(B);
6. I have submitted the required copies of this application to the Determination of Need Program, and, as applicable, to all Parties of Record and other parties as required pursuant to 105 CMR 100.405(B);
7. 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.;
8. I have been informed of proper notification and submissions to the Secretary of Environmental Affairs pursuant to 105 CMR 100.405(E), as applicable, and 301 CMR 11.00;
9. 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);
10. 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 issued and the terms and Conditions attached therein;
11. I have been informed of the contents of 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;
12. 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;
13. Pursuant to 105 CMR 100.705(A), I certify that the Applicant has Sufficient Interest in the Site or facility; and
14. 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

Kevin B Churchwell [Signature] 3/15/22  
CEO for Corporation Name: Signature: Date

Douglas A. Berthiaume [Signature] 3/15/22  
Board Chair for Corporation Name: Signature: Date



## Exhibit 4: Scanned Copy of Application Fee Check



**Boston Children's Hospital**  
Until every child is well

**VENDOR NAME: COMMONWEALTH OF MASSACHUSETTS**

**DATE: 03/17/2022**

**CHECK NO. [REDACTED]**

INVOICE NO.	DATE	P.O. NO.	GROSS AMOUNT	DISCOUNT	NET AMOUNT
[REDACTED] Donna Casey	03/14/2022	[REDACTED]	111,643.04	0.00	111,643.04

REMOVE DOCUMENT ALONG THIS PERFORATION

THIS DOCUMENT IS PRINTED IN TWO COLORS. DO NOT ACCEPT UNLESS BLUE AND BLACK ARE PRESENT.



**Boston Children's Hospital**  
Until every child is well

**Bank of America, Boston, MA**

**Check No. [REDACTED] 5-13/110**

**Date: March 17, 2022**

**PAY ONE HUNDRED ELEVEN THOUSAND SIX HUNDRED FORTY-THREE AND 4/100 DOLLAR**

**Pay Amount \*\*\*\*\*111,643.04**

**PAY TO THE ORDER OF**  
COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES  
DEPARTMENT OF PUBLIC HEALTH  
250 WASHINGTON STREET  
BOSTON MA 02108

COUNTERSIGNATURE REQUIRED IF OVER \$25,000

[REDACTED]

## Exhibit 5: Affiliated Parties Table Question 1.9



# Massachusetts Department of Public Health

## Determination of Need

### Affiliated Parties

Version: DRAFT  
3-15-17

**DRAFT**

Application Date: 03/21/2022 Application Number: ECH-2203 18 0-TO

#### Applicant Information

Applicant Name: The Children's Medical Center Corporation

Contact Person: Benjamin Wilson Title: Partner, Ropes & Gray LLP, counsel to the Applicant









































Phone: 6179517336 Ext: E-mail: benjamin.wilson@ropesgray.com

#### Affiliated Parties

##### 1.9 Affiliated Parties:

List all officers, members of the board of directors, trustees, stockholders, partners, and other Persons who have an equity or otherwise controlling interest in the application.

Add/ Del Rows	Name (Last)	Name (First)	Mailing Address	City	State	Affiliation	Position with affiliated entity (or with Applicant)	Stock, shares, or partnership	Percent Equity (numbers only)	Convictions or violations	List other health care facilities affiliated with	Business relationship with Applicant
<input type="checkbox"/> <input type="checkbox"/>	Berthiaume	Doug	18 Buttonwood Drive	Andover	MA	The Children's Hospital Corporation	Trustee/Officer		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Bufferd	Allan	8 Whitney Road	Newtonville	MA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Churchwell	Kevin	14 Baldpate Hill Road	Newton Center	MA	The Children's Hospital Corporation	Trustee/Officer		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Fishman	Steven	11 Bradford Road	Weston	MA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Fleisher	Gary	101 Waban Park	Newton	MA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Henderson	Winston	70 Northampton Street, Apt. 101	Roxbury	MA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Horn	Ivor	581 Marion Ave	Palo Alto	CA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Karp	Stephen	3 Possum Road	Weston	MA	The Children's Hospital Corporation	Trustee/Officer		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Krichmar	Steve	5 Preston Circle	Andover	MA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Larger	Robert	98 Montvale Road	Newton	MA	The Children's Hospital Corporation	Trustee		0%	No		No
<input type="checkbox"/> <input type="checkbox"/>	Laussen	Peter	16 Nash Lane	Weston	MA	The Children's Hospital Corporation	Trustee		0%	No		No

Add/ Del Rows	Name (Last)	Name (First)	Mailing Address	City	State	Affiliation	Position with affiliated entity (or with Applicant)	Stock, shares, or partnership	Percent Equity (numbers only)	Convictions or violations	List other health care facilities affiliated with	Business relationship with Applicant
 	Lee	Vivian	240 Mercer Street #301	New York	NY	The Children's Hospital Corporation	Trustee		0%	No		No
 	Lodish	Harvey	120 Seaver Street, Unit C202	Brookline	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Loveman	Gary	5 Sabrina Farm Road	Wellesley	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Martin	Ralph	202B Allandale Road	Chestnut Hill	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Melendez	Thomas	88 Exeter Street	West Newton	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Pappendick	William	164 Brattle Street	Cambridge	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Proctor	Mark	470 Commonwealth Avenue	Newton	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Regan	Kathy	72 Willow Street	Brooklyn	NY	The Children's Hospital Corporation	Trustee		0%	No		No
 	Smith	Rob	35 Carisbrooke Road	Wellesley	MA	The Children's Hospital Corporation	Trustee/Officer		0%	No		No
 	Taunton-Rigby	Alison	8 Farrar Road	Lincoln	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Wieland	Lisa	16 Elm Street	Wellesley	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Wolpow	Marc	17 Clark Road	Wellesley	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Wood	Laura	59 South Cottage Road	Belmont	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Young	Gregory	4 Sundance Way	Natick	MA	The Children's Hospital Corporation	Trustee		0%	No		No
 	Garvin	Michele	640 Harland Street	Milton	MA	The Children's Hospital Corporation	Officer		0%	No		No
 	Vanderslice	Doug	76 Hollis Street	Sherborn	MA	The Children's Hospital Corporation	Officer		0%	No		No
 					MA							
 					MA							
 					MA							
 					MA							

## 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: 03/21/2022 2:00 pm

E-mail submission to  
Determination of Need

## Exhibit 6: Change in Service Tables Questions 2.2 and 2.3



# Massachusetts Department of Public Health

## Determination of Need

### Change in Service

Version: DRAFT  
6-14-17

**DRAFT**

Application Number: BCH-22031810-TO

Original Application Date: 03/21/2022

#### Applicant Information

Applicant Name: The Children's Medical Center Corporation

Contact Person: Benjamin Wilson Title: Partner, Ropes & Gray LLP, counsel to the Applicant

Phone: 6179517336 Ext: E-mail: benjamin.wilson@ropesgray.com

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

1 Facility Name: Franciscan Hospital for Children, Inc. CMS Number: 223300 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		Actual	Projected
	<b>Acute</b>															
	Medical/Surgical	0		0		0	0	0	0			0%	0%			
	Obstetrics (Maternity)	0		0		0	0	0	0			0%	0%			
	Pediatrics	40		40		0	0	40	40			0%	0%			
	Neonatal Intensive Care	0		0		0	0	0	0			0%	0%			
	ICU/CCU/SICU	0		0		0	0	0	0			0%	0%			
<b>+</b>												0%	0%			
	Total Acute	40		40		0	0	40	40			0%	0%			
	<b>Acute Rehabilitation</b>	40		0		0	0	40	0			0%	0%			
<b>+</b>												0%	0%			
	Total Rehabilitation	40		0		0	0	40	0			0%	0%			
	<b>Acute Psychiatric</b>															



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		0	0	0	0			0%	0%			
	Adolescent	0		0		0	0	0	0			0%	0%			
	Pediatric	32		32		0	0	32	32			0%	0%			
	Geriatric	0		0		0	0	0	0			0%	0%			
<input type="button" value="+"/> <input type="button" value="-"/>												0%	0%			
	<b>Total Acute Psychiatric</b>	32		32		0	0	32	32			0%	0%			
	<b>Chronic Disease</b>	0						0				0%	0%			
<input type="button" value="+"/> <input type="button" value="-"/>												0%	0%			
	<b>Total Chronic Disease</b>	0						0				0%	0%			
	<b>Substance Abuse</b>															
	detoxification	0						0				0%	0%			
	short-term intensive	0						0				0%	0%			
<input type="button" value="+"/> <input type="button" value="-"/>												0%	0%			
	<b>Total Substance Abuse</b>	0						0				0%	0%			
	<b>Skilled Nursing Facility</b>															
	Level II	0						0				0%	0%			
	Level III	0						0				0%	0%			
	Level IV	0						0				0%	0%			
<input type="button" value="+"/> <input type="button" value="-"/>												0%	0%			
	<b>Total Skilled Nursing</b>	0						0				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="button" value="+"/> <input type="button" value="-"/>	N/A					

## 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: 03/21/2022 2:00 pm

E-mail submission to  
Determination of Need

Exhibit 7: Certification from an  
Independent Certified Public Accountant



## **Analysis of the Reasonableness of Assumptions Used For and Feasibility of Projected Financials of:**

Children's Medical Center Corporation  
For the Years Ending September 30, 2022  
Through September 30, 2027



Tel: 617-422-0700  
Fax: 617-422-0909  
[www.bdo.com](http://www.bdo.com)

One International Place  
Boston, MA 02110-1745

March 17, 2022

Doug Vanderslice  
EVP, System Chief Financial Officer  
Boston Children's Hospital  
300 Longwood Avenue  
BY483  
Boston, MA 02215

**RE: Analysis of the Reasonableness of Assumptions and Projections Used to Support the Financial Feasibility and Sustainability of the Proposed Affiliation**

Dear Mr. Vanderslice:

Enclosed is a copy of our report on the reasonableness of assumptions used for and feasibility of the financial projections for Children's Medical Center Corporation. Please contact me to discuss this report once you have had an opportunity to review.

Sincerely,

*BDO USA, LLP*

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March 17, 2022

Doug Vanderslice  
EVP, System Chief Financial Officer  
Boston Children's Hospital  
300 Longwood Avenue  
BY483  
Boston, MA 02215

**RE: Analysis of the Reasonableness of Assumptions and Projections Used to Support the Financial Feasibility and Sustainability of the Proposed Affiliation**

Dear Mr. Vanderslice:

We have performed an analysis related to the reasonableness and feasibility of the financial projections (the "Projections") of Children's Medical Center Corporation ("Children's" or "the Applicant") related to its Determination of Need ("DON") filing with respect to an institutional affiliation or transfer of ownership (the "Proposed Affiliation") of Franciscan Hospital for Children ("Franciscan Children's"), described further below. This report details our analysis and findings with regards to the reasonableness of assumptions used in the preparation of the Projections and feasibility of the projected financial results prepared by the management of Children's ("Management"). This report is to be used by Children's in connection with its DON Application - Factor 4 and should not be distributed or relied upon for any other purpose.

## **I. EXECUTIVE SUMMARY**

The scope of our review was limited to an analysis of the six-year financial projections for the Applicant for the fiscal years ending 2022 through 2027 prepared by Management and the supporting documentation in order to render an opinion as to the reasonableness of assumptions used in the preparation and feasibility of the Projections.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



The Projections exhibit a cumulative operating EBITDA surplus of approximately 8.7 percent of cumulative projected revenue for Children's for the six years from fiscal year ("FY") 2022 through FY 2027. Based upon our review of the relevant documents and analysis of the Projections, we determined the anticipated operating EBITDA surplus is a reasonable expectation and based upon feasible financial assumptions. Accordingly, we determined that the Projections are reasonable and feasible, and not likely to have a negative impact on the Applicant's patient panel or result in a liquidation of Children's assets. A detailed explanation of the basis for our determination of reasonableness and feasibility is contained within this report.

## **II. RELEVANT BACKGROUND INFORMATION**

Children's, d/b/a Boston Children's Hospital, includes (1) Children's Hospital (the "Hospital"), which engages in pediatric patient care, research, training, and community service, (2) 15 tax-exempt physician foundations (the "Foundations"), which are organized for charitable, scientific, and educational purposes and operate for the benefit of the Hospital and Harvard Medical School, (3) the Physicians' Organization at Children's Hospital, Inc. (the "PO"), which provides coordination and general oversight of the clinical and medicine practices and related health care services of the Foundations, (4) CHB Properties, Inc., which owns and operates real property and distributes the net income of such property to Children's, (5) Longwood Research Institute, Inc., which holds real property for the benefit of the Hospital to further its research mission, (6) Boston Children's Health Physicians, LLP, a fully integrated health care community that provides pediatric inpatient and outpatient care to patients in New York, Connecticut, and





New Jersey, (7) Blood Research Institute, Inc. and (8) Boston Children's Health International, LLC.

Franciscan Children's is a not-for-profit corporation licensed to operate a 112 bed hospital located in Brighton, Massachusetts. Franciscan Children's provides medical, rehabilitative, and educational services to children with disabling conditions. Franciscan Children's also operates the Kennedy Day School, an approved Chapter 71(b) special education program. Franciscan Children's was founded in 1949 by the Franciscan Missionaries of Mary ("FMM"), a Catholic religious order.

The Applicant proposes an institutional affiliation, categorized by Management as a transfer of ownership for purposes of its DON application, with Franciscan Children's. Since its inception, the FMM sisters managed, served at, and lived near Franciscan Children's; however, we understand there are no longer FMM sisters working at Franciscan Children's or living in Massachusetts. Under the Proposed Affiliation, FMM's member rights would be transferred to CMCC. Through the Proposed Affiliation, Children's and Franciscan Children's would facilitate a nation-leading programmatic and facilities transformation to improve access to, and delivery of, equitable, family-centers and evidence-based care to children in Massachusetts and across New England. The Proposed Affiliation will also address the pressing need to improve access to coordinated care for children with medically complex care needs.

### III. SCOPE OF REPORT

The scope of this report is limited to an analysis of the six-year financial projections for Children's, the Applicant, for the fiscal years ending 2022 through 2027, prepared by Management, and the supporting documentation in order to render an opinion as to the reasonableness of assumptions used in the preparation and feasibility of the Projections. Reasonableness is defined within the context of this report as supportable and proper, given the underlying information. Feasibility is defined as based on the assumptions used the Proposed Affiliation is not likely to result in a liquidation of the underlying assets or the need for reorganization.

This report is based on prospective financial information provided to us by Management. BDO understands the prospective financial information was developed as of February 16, 2022 and represented the most current version of detailed multi-year prospective financial information available at the time BDO performed its procedures, and is still representative of Management's expectations as of the drafting of this report. BDO has not audited or performed any other form of attestation services on the projected financial information related to the operations of Children's.

If BDO had audited the underlying data, matters may have come to our attention that would have resulted in our using amounts that differ from those provided. Accordingly, we do not express an opinion or any other assurances on the underlying data presented or relied upon in this report. We do not provide assurance on the achievability of the results forecasted by the Applicant because events and circumstances frequently do not occur as expected, and the

achievement of the forecasted results are dependent on the actions, plans, and assumptions of Management. We reserve the right to update our analysis in the event that we are provided with additional information.

#### IV. SOURCES OF INFORMATION UTILIZED

In formulating our opinions and conclusions contained in this report, we reviewed documents produced by Management as well as third party industry data sources. The documents and information upon which we relied are identified below or are otherwise referenced in this report:

1. Financial Model for the Applicant for the periods ending September 30, 2018 through September 30, 2027;
2. Financial Model for Franciscan Children's for the periods ending September 30, 2018 through September 30, 2027;
3. Affiliation Agreement dated as of October 7, 2021 between the Children's Medical Center Corporation and Franciscan Hospital for Children, Inc.;
4. Interim Finance Committee Meeting PowerPoint for Franciscan Children's, dated September 2, 2021;
5. FY22 Q2 Budget & Rolling Operating Plan Presentation to the Executive Committee of the Board of Trustees, dated December 22, 2021;
6. Draft DON Application Related to the Transfer of Ownership of Franciscan Hospital for Children, Inc.;

7. Audited Consolidated Financial Statements for Franciscan Hospital for Children, Inc. and Affiliate for the Years Ended September 30, 2021 and 2020;
8. Audited Consolidated Financial Statements and Supplementary Information for Boston Children's Hospital and Subsidiaries for Years Ended September 30, 2021 and 2020;
9. Audited Consolidated Financial Statements and Supplementary Information for Boston Children's Hospital and Subsidiaries for Years Ended September 30, 2020 and 2019;
10. Audited Consolidated Financial Statements and Supplementary Information for Boston Children's Hospital and Subsidiaries for Years Ended September 30, 2018 and 2017;
11. Gain from Operations Actual to Budget Comparison for FY 2005 through FY 2019;
12. Long Term Plan Sub-Committee Report Presentation to the Finance Committee, dated May 27, 2021;
13. Integra Reports published by MicroBilt Corporation;
14. Definitive Healthcare data;
15. IBISWorld Industry Report, Hospitals in the US, dated November 2021;
16. CPA Report Guidelines from Lara Szent-Gyorgyi, Director, Determination of Need Program, dated March 2021; and
17. Determination of Need Application Instructions dated March 2017.

**V. REVIEW OF THE PROJECTIONS**

This section of our report summarizes our review of the reasonableness of the assumptions used and feasibility of the Projections.



The following tables present the Key Metrics, as defined below, which compare the operating results of the Projections to market information from Integra Reports ("Integra"), IBISWorld, and Definitive Healthcare as well as the Applicant's historical performance, to assess the reasonableness of the projections.

Key Financial Metrics and Ratios (1) Children's Medical Center Corporation	Projected					
	2022	2023	2024	2025	2026	2027
<b>Profitability</b>						
Operating Margin (%)	0.0%	0.6%	1.9%	2.4%	2.2%	2.4%
Excess Margin (%)	5.3%	5.5%	6.4%	6.5%	6.6%	6.9%
Debt Service Coverage Ratio (x)	4.9x	4.8x	5.6x	6.2x	6.5x	6.8x
<b>Liquidity</b>						
Days Available Cash and Investments on Hand (#)	858.3	750.3	718.8	695.7	680.6	673.8
Operating Cash Flow (%)	5.8%	6.9%	7.9%	8.4%	8.4%	8.5%
<b>Solvency</b>						
Current Ratio (x)	1.4x	1.4x	1.3x	1.3x	1.3x	1.3x
Ratio of Long Term Debt to Total Capitalization (%)	15.8%	15.5%	15.1%	14.7%	14.3%	13.9%
Ratio of Cash Flow to Long Term Debt (%)	11.6%	15.0%	17.9%	20.1%	21.2%	22.2%
Unrestricted Net Assets (\$ in millions)	\$ 7,177	\$ 7,401	\$ 7,619	\$ 7,853	\$ 8,098	\$ 8,361
Total Net Assets (\$ in millions)	\$ 8,079	\$ 8,318	\$ 8,537	\$ 8,771	\$ 9,016	\$ 9,278

Footnotes:

(1) Key financial metrics and ratios includes Franciscan Children's in the projected years 2023 through FY 2027.

Key Financial Metrics and Ratios (1) Children's Medical Center Corporation	Actual			Industry Data (2)		
	2019	2020	2021	Integra - General Medical and Surgical Hospitals	IBIS - Hospitals in the US	Definitive Healthcare
<b>Profitability</b>						
Operating Margin (%)	2.6%	-2.6%	-0.1%	3.5%	7.0%	-14.5%
Excess Margin (%)	8.1%	12.1%	27.3%	1.4%	NA	4.1% (3)
Debt Service Coverage Ratio (x)	6.0x	2.9x	5.2x	1.4x	14.3x	NA
<b>Liquidity</b>						
Days Available Cash and Investments on Hand (#)	785.9	869.5	906.0	NA	NA	62.0
Operating Cash Flow (%)	7.6%	3.7%	5.1%	7.0%	55.7%	NA
<b>Solvency</b>						
Current Ratio (x)	1.5x	1.4x	1.4x	2.5x	1.1x	1.5x
Ratio of Long Term Debt to Total Capitalization (%)	16.6%	18.9%	16.1%	43.1%	NA	NA
Ratio of Cash Flow to Long Term Debt (%)	17.0%	6.4%	9.7%	25.8%	NA	NA
Unrestricted Net Assets (\$ in millions)	\$ 5,270	\$ 5,725	\$ 7,007	NA	NA	NA
Total Net Assets (\$ in millions)	\$ 6,123	\$ 6,501	\$ 7,909	\$1,936	NA	NA

Footnotes:

(1) Key financial metrics and ratios includes Franciscan Children's in the projected years 2023 through FY 2027

(2) Industry data ratios based on each data source's respective definitions and may differ from the ratio definitions listed below

(3) Net income margin from Integra and Definitive Healthcare data treated as an equivalent to excess margin

The Key Metrics fall into three primary categories: profitability, liquidity, and solvency. Profitability metrics are used to assist in the evaluation of management performance in how efficiently resources are utilized. Liquidity metrics, including common ratios such as “days of available cash and investments on hand”, measure the quality and adequacy of assets to meet current obligations as they come due. Solvency metrics measure the company’s ability to take on and service debt obligations. Additionally, certain metrics can be applicable to multiple categories. The table below shows how each of the Key Metrics are calculated.

Key Financial Metrics and Ratios	
Ratio Definitions	Calculation
<b>Profitability</b>	
Operating Margin (%)	Gain from Operations Divided by Total Operating Revenue
Excess Margin (%)	Excess of Revenue over Expenses Divided by (Total Operating Revenue + Total Nonoperating Gains)
Debt Service Coverage Ratio (x)	(Gains from Operations + Depreciation and Amortization + Interest) Divided by Interest (1)
<b>Liquidity</b>	
Days Available Cash and Investments on Hand (#)	(Cash and Unrestricted as to Use Investments and Board-Designation as to Use) Multiplied by 365 Divided by (Total Operating Expenses Less Depreciation and Amortization)
Operating Cash Flow (%)	(Gains from Operations Plus Depreciation and Amortization, Costs Related to Asset Dispositions, and Non-Cash Pension Expense) Divided by Total Operating Revenue
<b>Solvency</b>	
Current Ratio (x)	Current Assets Divided by Current Liabilities
Ratio of Long Term Debt to Total Capitalization (%)	Long Term Debt Divided by Total Capitalization (Long Term Debt and Total Net Assets)
Ratio of Cash Flow to Long Term Debt (%)	(Gains from Operations Plus Depreciation and Amortization, Costs Related to Asset Dispositions, and Non-Cash Pension Expense) Divided by Long Term Debt
Unrestricted Net Assets (\$ in thousands)	Total Unrestricted Net Assets
Total Net Assets (\$ in thousands)	Total Net Assets

#### Footnotes

(1) Per Management, there are no principal repayments in the historical or projected period reviewed

## 1. Revenue

We analyzed the revenue forecast within the Projections. Revenue for the Applicant includes net patient service revenue (“NPSR”), research grants and contracts, recovery of indirect costs

on grants and contracts, other operating revenue, unrestricted contributions net of fundraising expenses, and net assets released from restriction used for operations. Approximately 80.0 percent of revenue is derived from net patient service revenue. NPSR is projected to grow between 4.0 percent and 9.6 percent annually over the projection period which is below actual growth in NPSR of 15.0 percent in FY 2021.

Approximately 65.0 percent of NPSR is derived from the Hospital, approximately 28.0 percent is from the PO, approximately 2.5 percent is from Franciscan Children's (in FY 2023 through FY 2027), and the remainder from other subsidiaries. Management projects NPSR from the PO to increase annually between 2.9 percent and 6.9 percent, which is below actual growth of 13.7 percent in FY 2021.

Based upon our discussions with Management and the documents provided, the projected net patient service revenue for the Hospital was estimated based upon Management's anticipated changes in the following categories:

#### **A. Statistics**

Inpatient and outpatient statistics for FY 2022 are based on the approved FY 2022 plan as of the second quarter. Statistics for FY 2023 through FY 2027 are based on the projected number of bedded patient days. Bedded patient days increased between 0.2 percent and 8.2 percent per year over the projections. Projected growth in bedded patient days is within historical growth levels, ranging from -12.4 percent to 12.1 percent between FY 2019 and FY 2021. Growth in bedded patient days primarily relate to the return to COVID-19 operating levels, the opening of the Hale Building beginning in FY 2022, and the

addition of 12 inpatient adolescent and pediatric psychiatric beds at Waltham in FY 2022. The six-year compound annual growth rate ("CAGR") from FY 2021 to FY 2027 of 2.9 percent also falls within the Hospital's historical growth.

#### **B. Gross Charges per Statistic**

Gross charge per statistic for FY 2022 is based on the approved FY 2022 plan as of the second quarter. Beyond FY 2022, gross charges increase at a rate of 3.0 percent per year, which is consistent with the Applicant's long-term plan presented to and approved by the Board in May of 2021 (the "Board Approved Plan"). Management indicated this was the most recent Board Approved Plan as of the date of our analyses.

#### **C. Payment on Account Factor ("PAF")**

The PAF for FY 2022 is based on the approved FY 2022 plan as of the second quarter. Beyond FY 2022, the PAF is based on the prior year's PAF, and updated to reflect charge increases and anticipated changes in payer rates. The charge increase is 3.0 percent annually, which is consistent with the Board Approved Plan, while the change in payer rates varies by payer; however, ranges from 1.0 to 3.0 percent annually, which is consistent with prior budget presentations.

As discussed above, NPSR related to Franciscan Children's as a result of the Proposed Affiliation would account for approximately 2.5 percent of NPSR for Children's beyond FY 2023. On a total operating revenue basis, Franciscan Children's would account for approximately 2.3 percent of total operating revenue for Children's including Franciscan Children's.



In order to determine the reasonableness of the projected revenue, we reviewed the underlying assumptions upon which Management relied. Based upon our review, Management relied upon the historical operations and anticipated market movements. The six-year CAGR for total operating revenue in the Projections of 5.1 percent falls below Children's revenue growth rates in FY 2021 of 10.4 percent. Based upon the foregoing, it is our opinion that the revenue growth projected by Management is based on reasonable assumptions and is feasible for Children's.

## **2. Operating Expenses**

We analyzed each of the categorized operating expenses for reasonableness and feasibility as it related to the Projections.

The operating expenses in the analysis include salaries and benefits, supplies and other expenses, direct research expenses of grants, health safety net assessment, depreciation and amortization, costs related to asset dispositions, and interest and net interest rate swap cash flows. Salaries and benefits account for approximately 60.0 percent of total operating expenses and supplies and other expenses account for approximately 23.0 percent of total operating expenses throughout the projection period.

Salaries and benefits were projected to increase annually between 3.7 percent and 10.4 percent for FY 2022 through FY 2027. Approximately 55.0 percent of the Applicant's total salaries and benefits relate to the Hospital. Growth in salaries and benefits for the Hospital was determined based on growth in full time equivalents ("FTEs") and change in wages. FTEs were determined based on the growth in adjusted patient days. Wages were grown by a merit increase of 2.5

percent annually plus varying market adjustments, with market adjustments of 2.5 percent in FY 2023 and 1.0 percent annually thereafter. Management held salaries and benefits flat to historical FY 2021 for the Medical Center and the eliminations. Management increased salaries and benefits by at least 2.5 percent annually for the PO, Franciscan Children's, and other.

Supplies were projected to decline 3.4 percent in FY 2022, before increasing annually between 3.7 percent and 10.2 percent for FY 2023 through FY 2027. Approximately 91.0 percent of the Applicant's total supplies and other expenses relate to the Hospital. Supplies were projected to increase based on adjusted patient days and expense per adjusted patient day. Expense per adjusted patient day was grown by 2.0 percent (or 3.0 percent for pharmacy and blood products), which is consistent with the Board Approved Plan. The decline in supplies in FY 2022 primarily relate to a reduction in expected high cost therapies as well as cost savings initiatives put in place for the fiscal year as of the second quarter.

Based upon the foregoing, it is our opinion that the operating expenses projected by Management reflects are based on reasonable assumptions and are feasible for the Applicant.

### **3. Improvement Plan**

Management incorporates an improvement plan within its financial forecast for FY 2023 through FY 2027. This improvement plan reflects future initiatives and strategic plans which are not yet identified and therefore, not allocable to detailed line items in the income statement. We understand based on discussions with Management that the Applicant undergoes this process as a part of its regular forecasting. We reviewed the Applicant's actual gain from operations in

comparison to the Applicant's budget for each of the prior 15 fiscal years and noted the Applicant met or exceeded budget in 12 out of 15 years. As such, it is feasible that the Applicant will continue to achieve the improvement plan targets included in the Projections.

#### **4. Capital Expenditures and Proposed Affiliation Financing**

We understand given the nature of the Proposed Affiliation there are no related capital expenditures or financing needs.

#### **VI. FEASIBILITY**

We analyzed the Projections and Key Metrics for the Proposed Affiliation. In preparing our analysis we considered multiple sources of information including industry metrics, historical results, and Management expectations. It is important to note that the Projections do not account for any anticipated changes in accounting standards. These standards, which may have a material impact on individual future years, are not anticipated to have a material impact on the aggregate Projections.

Within the projected financial information, the Projections exhibit a cumulative operating EBITDA surplus of approximately 8.7 percent of cumulative projected operating revenue for the six years from 2022 through 2027. Based upon our review of the relevant documents and analysis of the Projections, we determined the anticipated operating surplus is a reasonable expectation and based upon feasible financial assumptions. Accordingly, we determined that the



Projections are reasonable and feasible, and not likely to have a negative impact on the patient panel or result in a liquidation of assets of Children's.

Respectively submitted,

A handwritten signature in black ink, appearing to read "Erik Lynch". The signature is stylized with a large, looped "E" and a long, sweeping "L".

Erik Lynch  
Partner, BDO USA LLP

## Exhibit 8: The Children's Medical Center Corporation Notice of Material Change



# **NOTICE OF MATERIAL CHANGE FORM**

## GENERAL INSTRUCTIONS

The attached form should be used by a Provider or Provider Organization to provide a Notice of Material Change (“Notice”) to the Health Policy Commission (“Commission”), as required under M.G.L. c. 6D, § 13 and 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews. To complete the Notice, it is necessary to read and comply with 958 CMR 7.00, a copy of which may be obtained on the Commission’s website at [www.mass.gov/hpc](http://www.mass.gov/hpc). Capitalized terms in this Notice are defined in 958 CMR 7.02. Additional sub-regulatory guidance may be available on the Commission’s website (e.g., Technical Bulletins, FAQs). For further assistance, please contact the Health Policy Commission at [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us). This form is subject to statutory and regulatory changes that may take place from time to time.

---

## REQUIREMENT TO FILE

This Notice must be submitted by any Provider or Provider Organization with \$25 million or more in Net Patient Service Revenue in the preceding fiscal year that is proposing a Material Change, as defined in 958 CMR 7.02. Notice must be filed with the Commission not fewer than 60 days before the consummation or closing of the transaction (i.e., the proposed effective date of the proposed Material Change).

---

## SUBMISSION OF NOTICE

One electronic copy of the Notice, in a portable document form (pdf), should be submitted to the following:

Health Policy Commission [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us);

Office of the Attorney General [HCD-6D-NOTICE@state.ma.us](mailto:HCD-6D-NOTICE@state.ma.us);

Center for Health Information and Analysis [CHIA-Legal@state.ma.us](mailto:CHIA-Legal@state.ma.us)

---

## PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

If the Commission considers the Notice to be incomplete, or if the Commission requires clarification of any information to make its determination, the Commission may, within 30 days of receipt of the Notice, notify the Provider or Provider Organization of the information or clarification necessary to complete the Notice.

The Commission will inform each notifying Provider or Provider Organization of any determination to initiate a Cost and Market Impact Review within 30 days of its receipt of a completed Notice and all required information, or by a later date as may be set by mutual agreement of the Provider or Provider Organization and the Commission.

---

## CONFIDENTIALITY

Information on this Notice form itself shall be a public record and will be posted on the Commission’s website. Pursuant to 958 CMR 7.09, the Commission shall keep confidential all nonpublic information and documents obtained in connection with a Notice of Material Change and shall not disclose the information or documents to any person without the consent of the Provider or Payer that produced the information or documents, except in a Preliminary Report or Final Report of a Cost and Market Impact Review if the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret or anti-competitive considerations. The confidential information and documents shall not be public records and shall be exempt from disclosure under M.G.L. c. 4, § 7 cl. 26 or M.G.L. c. 66, § 10.

## NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: March 21, 2022

1. Name: The Children's Medical Center Corporation

2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-1174680	2139	1841234531

### CONTACT INFORMATION

3. Business Address 1: 300 Longwood Avenue

4. Business Address 2:

5. City: Boston State: MA Zip Code: 02115

6. Business Website: [www.childrenshospital.org/](http://www.childrenshospital.org/)

7. Contact First Name: Michele Contact Last Name: Garvin

8. Title: Executive Vice President and General Counsel

9. Contact Phone: 617-355-4937 Extension:

10. Contact Email: [michele.garvin@childrens.harvard.edu](mailto:michele.garvin@childrens.harvard.edu)

### DESCRIPTION OF ORGANIZATION

11. Briefly describe your organization.

The Children's Medical Center Corporation ("CMCC") is the sole corporate member of The Children's Hospital Corporation ("Boston Children's"), which owns and operates a 415-bed acute care hospital for children. One of the largest pediatric medical centers in the US and the only freestanding pediatric hospital in Massachusetts, Boston Children's offers a complete range of health care services for children from birth through 21 years of age. Boston Children's has approximately 24,000 bedded cases and 660,000 ambulatory visits annually and a medical staff of approximately 1,500 pediatric specialists across 40 specialties.

### TYPE OF MATERIAL CHANGE

12. Check the box that most accurately describes the proposed Material Change involving a Provider or Provider Organization:

- ☐ A Merger or affiliation with, or Acquisition of or by, a Carrier;
- ☒ A Merger with or Acquisition of or by a Hospital or a hospital system;
- ☐ Any other Acquisition, Merger, or affiliation (such as a Corporate Affiliation, Contracting Affiliation, or employment of Health Care Professionals) of, by, or with another Provider, Providers (such as multiple Health Care Professionals from the same Provider or Provider Organization), or Provider Organization that would result in an increase in annual Net Patient Service Revenue of the Provider or Provider Organization of ten million dollars or more, or in the Provider or Provider Organization having a near-majority of market share in a given service or region;
- ☐ Any Clinical Affiliation between two or more Providers or Provider Organizations that each had annual Net Patient Service Revenue of \$25 million or more in the preceding fiscal year; provided that this shall not include a Clinical Affiliation solely for the purpose of collaborating on clinical trials or graduate medical education programs; and
- ☐ Any formation of a partnership, joint venture, accountable care organization, parent corporation, management services organization, or other organization created for administering contracts with Carriers or third-party administrators or current or future contracting on behalf of one or more Providers or Provider Organizations.

13. What is the proposed effective date of the proposed Material Change? Based on receipt of approvals - see #14



## MATERIAL CHANGE NARRATIVE

14. *Briefly* describe the nature and objectives of the proposed Material Change, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of Health Care Services) and whether any changes in Health Care Services are anticipated in connection with the proposed Material Change:

Franciscan Hospital for Children Inc. ("FC") and CMCC have entered into an affiliation agreement dated October 7, 2021 ("Affiliation Agreement") pursuant to which CMCC will replace the Franciscan Missionaries of Mary ("FMM") Provincial Council as the corporate member of FC following receipt of the requisite governmental and religious authority approvals and satisfaction of other closing conditions as set forth in the Affiliation Agreement (the "Affiliation"). Upon the closing of the Affiliation, FC and Boston Children's would become sister hospitals under the CMCC parent corporate structure.

Through the Affiliation, CMCC has committed to investing in FC an aggregate amount between \$40 million to \$50 million over the course of the next seven years. Following the effective date of the Affiliation, FC will continue to conduct educational, behavioral health, and rehabilitative programs.

15. *Briefly* describe the anticipated impact of the proposed Material Change, including but not limited to any anticipated impact on reimbursement rates, care referral patterns, access to needed services, and/or quality of care:

As the Commonwealth's leading pediatric acute and post-acute providers respectively, CMCC and FC seek to build upon their long-standing collaboration to create the nation's premier pediatric behavioral health and rehabilitation system of care, teaching and research. Through the Affiliation, and consistent with each institution's charitable missions, FC and CMCC will facilitate a nation-leading programmatic and facilities transformation to improve access to, and delivery of, compassionate, equitable, family-centered and science-based care to children in Massachusetts and across New England.

The Affiliation is intended to generate improved patient outcomes for children with medical complexity and children requiring behavioral health services, through innovative care coordination models, workforce development programs, and new treatments developed through expanded research initiatives. The Affiliation would help address the substantial, unmet need for coordinated pediatric behavioral health services in the Commonwealth. As such, the parties anticipate that the Affiliation may result in an increase in total medical spending on pediatric behavioral health as a result of an increase in access to care for children and families that have not otherwise been able to receive needed care in the past.

## DEVELOPMENT OF THE MATERIAL CHANGE

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

CMCC (including Boston Children's) evaluates potential clinical affiliation opportunities as they arise and will file a Notice of Material Change for any future material change where such Notice is required.

17. Indicate the date and nature of any applications, forms, notices or other materials you have submitted regarding the proposed Material Change to any other state or federal agency:

With regard to the proposed Material Change, the parties will submit a Determination of Need and a Notice of Intent to Acquire with the DPH, and Licensure Application with DMH. The parties may also need to file applications, forms, notices or other materials at a later date with other federal and state agencies, including but not limited to the EEC and DESE.

## SUPPLEMENTAL MATERIALS

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

The Health Policy Commission shall keep confidential all nonpublic information, as requested by the parties, in accordance with M.G.L. c. 6D, § 13(c), as amended by 2013 Mass. Acts, c. 38, § 20 (July 12, 2013).

- a. Copies of all current agreement(s) (with accompanying appendices and exhibits) governing the proposed Material Change (e.g., definitive agreements, affiliation agreements);
- b. A current organizational chart of your organization
- c. Any analytic support for your responses to Questions 14 and 15 above.

[Remainder of this page intentionally left blank]

This signed and notarized Affidavit of Truthfulness and Proper Submission is required for a complete submission.

#### AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

I, the undersigned, certify that:

1. I have read 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews.
2. I have read this Notice of Material Change and the information contained therein is accurate and true.
3. I have submitted the required copies of this Notice to the Health Policy Commission, the Office of the Attorney General, and the Center for Health Information and Analysis as required.

Signed on the 17 day of MARCH, 20 22, under the pains and penalties of perjury.

Signature: Michele Garvin

Name: Michele Garvin

Title: Executive Vice President and General Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Anuj K. Goel  
NOTARY PUBLIC  
Commonwealth of  
Massachusetts  
My Commission Expires  
9/25/2026

[Signature]

Notary Signature

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)

## EXPLANATIONS AND DEFINITIONS

1.	Name	Legal business name as reported with Internal Revenue Service. This may be the parent organization or local Provider Organization name.
2.	Federal TAX ID #	9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the internal revenue service.
	MA DPH Facility ID #	If applicable, Massachusetts Department of Public Health Facility Identification Number.
	National Provider Identification Number (NPI)	10-digit National Provider identification number issued by the Centers for Medicare and Medicaid Services (CMS). This element pertains to the organization or entity directly providing service.
3.	Business Address 1	Address location/site of applicant
4.	Business Address 2	Address location/site of applicant continued often used to capture suite number, etc.
5.	City, State, Zip Code	Indicate the City, State, and Zip Code for the Provider Organization as defined by the US Postal Service.
6.	Business Website	Business website URL
7.	Contact Last Name, First Name	Last name and first name of the primary administrator completing the registration form.
8.	Title:	Professional title of the administrator completing the registration form.
9.	Contact Telephone and Extension	10-digit telephone number and telephone extension (if applicable) for administrator completing the registration form
10.	Contact Email	Contact email for administrator
11.	Description of Organization	Provide a brief description of the notifying organization's ownership, governance, and operational structure, including but not limited to Provider type (acute Hospital, physician group, skilled nursing facilities, independent practice organization, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s).
		Indicate the nature of the proposed Material Change.
12.	Type of Material Change	<p><i>Definitions of terms:</i></p> <p>“Carrier”, an insurer licensed or otherwise authorized to transact accident or health insurance under M.G.L. c. 175; a nonprofit Hospital service corporation organized under M.G.L. c. 176A; a nonprofit medical service corporation organized under M.G.L. c. 176B; a health maintenance organization organized under M.G.L. c. 176G; and an organization entering into a preferred provider arrangement under M.G.L. c. 176I; provided, that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of one or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term “Carrier” shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or visions care services.</p>

“Hospital”, any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.

“Net Patient Service Revenue”, the total revenue received for patient care from any third party Payer net of any contractual adjustments. For Hospitals, Net Patient Service Revenue should be as reported to the Center under M.G.L. c. 12C, § 8. For other Providers or Provider Organizations, Net Patient Service Revenue shall include the total revenue received for patient care from any third Party payer net of any contractual adjustments, including: (1) prior year third party settlements; and (2) premium revenue, which means per-member-per-month amounts received from a third party Payer to provide comprehensive Health Care Services for that period, for all Providers represented by the Provider or Provider Organization in contracting with Carriers, for all Providers represented by the Provider or Provider Organization in contracting with third party Payers..

“Provider”, any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the Commonwealth to perform or provide Health Care Services.

“Provider Organization”, any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents one or more health care Providers in contracting with Carriers or third-party administrators for the payments of Health Care Services; provided, that a Provider Organization shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, Provider networks, accountable care organizations and any other organization that contracts with Carriers for payment for Health Care Services.

13.	Proposed Effective Date of the Proposed Material Change	Indicate the effective date of the proposed Material Change. NOTE: The effective date may not be fewer than 60 days from the date of the filing of the Notice.
14.	Description of the Proposed Material Change	Provide a brief narrative describing the nature and objectives of the proposed Material Change, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of Health Care Services). Include organizational charts and other supporting materials as necessary to illustrate the proposed change in ownership, governance, or operational structure.
15.	Impact of the Proposed Material Change	Provide a brief description of any analysis conducted by the notifying organization as to the anticipated impact of the proposed Material Change including, but not limited to, the following factors, as applicable: <ul style="list-style-type: none"> <li>• Costs</li> <li>• Prices, including prices of the Provider or Provider Organization involved in the proposed Merger, Acquisition, affiliation or other proposed Material Change</li> <li>• Utilization</li> <li>• Health Status Adjusted Total Medical Expenses</li> <li>• Market Share</li> <li>• Referral Patterns</li> <li>• Payer Mix</li> <li>• Service Area(s)</li> <li>• Service Line(s)</li> <li>• Service Mix</li> </ul>

16.	Future Planned Material Changes	Provide a brief description of the nature, scope and dates of any pending or planned Material Changes, occurring between the notifying organization and any other entity, within the 12 months following the date of the notice.
17.	Submission to Other State or Federal Agencies	Indicate the date and nature of any other applications, forms, notices or other materials provided to other state or federal agencies relative to the proposed Material Change, including but not limited to the Department of Public Health (e.g., Determination of Need Application, Notice of Intent to Acquire, Change in Licensure), Massachusetts Attorney General (e.g., notice pursuant to G.L. c. 180, §8A(c)), U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application) and Federal Trade Commission/Department of Justice (e.g., Notification and Report Form pursuant to 15 U.S.C. sec. 18a).



## Exhibit 9: Franciscan Children's Hospital Notice of Material Change



# **NOTICE OF MATERIAL CHANGE FORM**



## GENERAL INSTRUCTIONS

The attached form should be used by a Provider or Provider Organization to provide a Notice of Material Change (“Notice”) to the Health Policy Commission (“Commission”), as required under M.G.L. c. 6D, § 13 and 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews. To complete the Notice, it is necessary to read and comply with 958 CMR 7.00, a copy of which may be obtained on the Commission’s website at [www.mass.gov/hpc](http://www.mass.gov/hpc). Capitalized terms in this Notice are defined in 958 CMR 7.02. Additional sub-regulatory guidance may be available on the Commission’s website (e.g., Technical Bulletins, FAQs). For further assistance, please contact the Health Policy Commission at [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us). This form is subject to statutory and regulatory changes that may take place from time to time.

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## REQUIREMENT TO FILE

This Notice must be submitted by any Provider or Provider Organization with \$25 million or more in Net Patient Service Revenue in the preceding fiscal year that is proposing a Material Change, as defined in 958 CMR 7.02. Notice must be filed with the Commission not fewer than 60 days before the consummation or closing of the transaction (i.e., the proposed effective date of the proposed Material Change).

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## SUBMISSION OF NOTICE

One electronic copy of the Notice, in a portable document form (pdf), should be submitted to the following:

Health Policy Commission [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us);

Office of the Attorney General [HCD-6D-NOTICE@state.ma.us](mailto:HCD-6D-NOTICE@state.ma.us);

Center for Health Information and Analysis [CHIA-Legal@state.ma.us](mailto:CHIA-Legal@state.ma.us)

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## PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

If the Commission considers the Notice to be incomplete, or if the Commission requires clarification of any information to make its determination, the Commission may, within 30 days of receipt of the Notice, notify the Provider or Provider Organization of the information or clarification necessary to complete the Notice.

The Commission will inform each notifying Provider or Provider Organization of any determination to initiate a Cost and Market Impact Review within 30 days of its receipt of a completed Notice and all required information, or by a later date as may be set by mutual agreement of the Provider or Provider Organization and the Commission.

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## CONFIDENTIALITY

Information on this Notice form itself shall be a public record and will be posted on the Commission’s website. Pursuant to 958 CMR 7.09, the Commission shall keep confidential all nonpublic information and documents obtained in connection with a Notice of Material Change and shall not disclose the information or documents to any person without the consent of the Provider or Payer that produced the information or documents, except in a Preliminary Report or Final Report of a Cost and Market Impact Review if the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret or anti-competitive considerations. The confidential information and documents shall not be public records and shall be exempt from disclosure under M.G.L. c. 4, § 7 cl. 26 or M.G.L. c. 66, § 10.

## NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: March 21, 2022

1. Name: Franciscan Hospital for Children, Inc.

	Federal TAX ID #	MA DPH Facility ID#	NPI #
2.	04-2156082	2221	19223772473

### CONTACT INFORMATION

3. Business Address 1: 30 Warren Street

4. Business Address2:

5. City: Brighton State: MA Zip Code: 02135

6. Business Website: <https://franciscanchildrens.org/>

7. Contact First Name: Thomas Contact Last Name: O'Brien

8. Title: General Counsel

9. Contact Phone: 617-779-1155 Extension:

10. Contact Email: [tobrien@franciscanchildrens.org](mailto:tobrien@franciscanchildrens.org)

### DESCRIPTION OF ORGANIZATION

11. Briefly describe your organization.

Franciscan Hospital for Children Inc. ("FC") is a Massachusetts public charity licensed by (i) the Department of Public Health ("DPH") to operate a pediatric, post-acute and rehabilitation hospital, (ii) DPH and the Department Mental Health ("DMH") to operate a pediatric, inpatient psychiatric facility, (iii) the Department of Early Education and Care ("EEC") to operate a community based acute treatment program ("CBAT"), and (iv) the Department of Elementary and Secondary Education ("DESE") to operate a special education day school. FC is the only pediatric Chronic Disease and Rehabilitation Hospital in Massachusetts. FC's patients and students arrive from acute care hospital s, emergency departments, mobile crisis teams, school systems and other providers from across the Commonwealth and New England who turn to FC for high quality, specialized pediatric behavioral health, post-acute medical and rehabilitation, dental, and educational services. FC is a Catholic institution sponsored by the Franciscan Missionaries of Mary ("FMM"), and the five members of the FMM Provincial Council currently serve as FC's corporate members with reserve powers over FC.

12. Check the box that most accurately describes the proposed Material Change involving a Provider or Provider Organization:

- ☐ A Merger or affiliation with, or Acquisition of or by, a Carrier;
- ☒ A Merger with or Acquisition of or by a Hospital or a hospital system;
- ☐ Any other Acquisition, Merger, or affiliation (such as a Corporate Affiliation, Contracting Affiliation, or employment of Health Care Professionals) of, by, or with another Provider, Providers (such as multiple Health Care Professionals from the same Provider or Provider Organization), or Provider Organization that would result in an increase in annual Net Patient Service Revenue of the Provider or Provider Organization of ten million dollars or more, or in the Provider or Provider Organization having a near-majority of market share in a given service or region;
- ☐ Any Clinical Affiliation between two or more Providers or Provider Organizations that each had annual Net Patient Service Revenue of \$25 million or more in the preceding fiscal year; provided that this shall not include a Clinical Affiliation solely for the purpose of collaborating on clinical trials or graduate medical education programs; and
- ☐ Any formation of a partnership, joint venture, accountable care organization, parent corporation, management services organization, or other organization created for administering contracts with Carriers or third-party administrators or current or future contracting on behalf of one or more Providers or Provider Organizations.

13. What is the proposed effective date of the proposed Material Change?

Upon receipt of all approvals – see #14

## MATERIAL CHANGE NARRATIVE

14. *Briefly* describe the nature and objectives of the proposed Material Change, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of Health Care Services) and whether any changes in Health Care Services are anticipated in connection with the proposed Material Change:

FC and The Children's Medical Center Corporation ("CMCC") have entered into an affiliation agreement dated October 7, 2021 ("Affiliation Agreement") pursuant to which CMCC will replace the FMM Provincial Council as the corporate member of FC following receipt of the requisite governmental and religious authority approvals and satisfaction of other closing conditions as set forth in the Affiliation Agreement (the "Affiliation"). CMCC is currently the sole corporate member of The Children's Hospital Corporation d/b/a/ Boston Children's Hospital ("BCH"). Upon the closing of the Affiliation, FC and BCH would become sister hospitals under the CMCC parent corporate structure.

Through the Affiliation, CMCC has committed to investing in FC an aggregate amount between \$40 million to \$50 million over the course of the next seven years. Following the effective date of the Affiliation, FC will continue to conduct educational, behavioral health, and rehabilitative programs.

15. *Briefly* describe the anticipated impact of the proposed Material Change, including but not limited to any anticipated impact on reimbursement rates, care referral patterns, access to needed services, and/or quality of care:

As the Commonwealth's leading pediatric acute and post-acute providers respectively, CMCC and FC seek to build upon their long-standing collaboration to create the nation's premier pediatric behavioral health and rehabilitation system of care, teaching and research. Through the Affiliation, and consistent with each institution's charitable missions, FC and CMCC will facilitate a nation-leading programmatic and facilities transformation to improve access to, and delivery of, compassionate, equitable, family-centered and science-based care to children in Massachusetts and across New England.

The Affiliation is intended to generate improved patient outcomes for children with medical complexity and children requiring behavioral health services, through innovative care coordination models, workforce development programs, and new treatments developed through expanded research initiatives. The Affiliation would help address the substantial, unmet need for coordinated pediatric behavioral health services in the Commonwealth. As such, the parties anticipate that the Affiliation may result in an increase in total medical spending on pediatric behavioral health as a result of an increase in access to care for children and families that have not otherwise been able to receive needed care in the past.

## DEVELOPMENT OF THE MATERIAL CHANGE

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

FC does not anticipate making any additional Material Changes in the next twelve (12) months. FC evaluates potential clinical affiliation opportunities as they arise and will file a Notice of Material Change for any future material change where such Notice is required.

17. Indicate the date and nature of any applications, forms, notices or other materials you have submitted regarding the proposed Material Change to any other state or federal agency:

With regard to the proposed Material Change, the parties will submit a Determination of Need and a Notice of Intent to Acquire with the DPH, and Licensure Application with DMH. The parties may also need to file applications, forms, notices or other materials at a later date with other federal and state agencies, including but not limited to the EEC and DESE.

## SUPPLEMENTAL MATERIALS

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

The Health Policy Commission shall keep confidential all nonpublic information, as requested by the parties, in accordance with M.G.L. c. 6D, § 13(c), as amended by 2013 Mass. Acts, c. 38, § 20 (July 12, 2013).

- a. Copies of all current agreement(s) (with accompanying appendices and exhibits) governing the proposed Material Change (e.g., definitive agreements, affiliation agreements);
- b. A current organizational chart of your organization
- c. Any analytic support for your responses to Questions 14 and 15 above.

[Remainder of this page intentionally left blank]



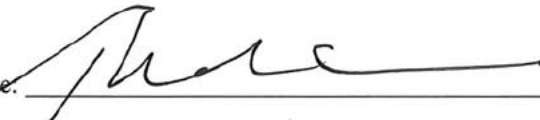
This signed and notarized Affidavit of Truthfulness and Proper Submission is required for a complete submission.

## AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

I, the undersigned, certify that:

1. I have read 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews.
2. I have read this Notice of Material Change and the information contained therein is accurate and true.
3. I have submitted the required copies of this Notice to the Health Policy Commission, the Office of the Attorney General, and the Center for Health Information and Analysis as required.

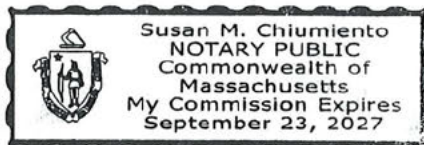
Signed on the 14th day of March, 2022, under the pains and penalties of perjury.


Signature: 

Name: Thomas O'Brien

Title: General Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



  
Notary Signature

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)



## EXPLANATIONS AND DEFINITIONS

1.	Name	Legal business name as reported with Internal Revenue Service. This may be the parent organization or local Provider Organization name.
2.	Federal TAX ID #	9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the internal revenue service.
	MA DPH Facility ID #	If applicable, Massachusetts Department of Public Health Facility Identification Number.
	National Provider Identification Number (NPI)	10-digit National Provider identification number issued by the Centers for Medicare and Medicaid Services (CMS). This element pertains to the organization or entity directly providing service.
3.	Business Address 1	Address location/site of applicant
4.	Business Address 2	Address location/site of applicant continued often used to capture suite number, etc.
5.	City, State, Zip Code	Indicate the City, State, and Zip Code for the Provider Organization as defined by the US Postal Service.
6.	Business Website	Business website URL
7.	Contact Last Name, First Name	Last name and first name of the primary administrator completing the registration form.
8.	Title:	Professional title of the administrator completing the registration form.
9.	Contact Telephone and Extension	10-digit telephone number and telephone extension (if applicable) for administrator completing the registration form
10.	Contact Email	Contact email for administrator
11.	Description of Organization	Provide a brief description of the notifying organization's ownership, governance, and operational structure, including but not limited to Provider type (acute Hospital, physician group, skilled nursing facilities, independent practice organization, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s).
		Indicate the nature of the proposed Material Change.
12.	Type of Material Change	<p><i>Definitions of terms:</i></p> <p>“Carrier”, an insurer licensed or otherwise authorized to transact accident or health insurance under M.G.L. c. 175; a nonprofit Hospital service corporation organized under M.G.L. c. 176A; a nonprofit medical service corporation organized under M.G.L. c. 176B; a health maintenance organization organized under M.G.L. c. 176G; and an organization entering into a preferred provider arrangement under M.G.L. c. 176I; provided, that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of one or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term “Carrier” shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or visions care services.</p>

“Hospital”, any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.

“Net Patient Service Revenue”, the total revenue received for patient care from any third party Payer net of any contractual adjustments. For Hospitals, Net Patient Service Revenue should be as reported to the Center under M.G.L. c. 12C, § 8. For other Providers or Provider Organizations, Net Patient Service Revenue shall include the total revenue received for patient care from any third Party payer net of any contractual adjustments, including: (1) prior year third party settlements; and (2) premium revenue, which means per-member-per-month amounts received from a third party Payer to provide comprehensive Health Care Services for that period, for all Providers represented by the Provider or Provider Organization in contracting with Carriers, for all Providers represented by the Provider or Provider Organization in contracting with third party Payers..

“Provider”, any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the Commonwealth to perform or provide Health Care Services.

“Provider Organization”, any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents one or more health care Providers in contracting with Carriers or third-party administrators for the payments of Health Care Services; provided, that a Provider Organization shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, Provider networks, accountable care organizations and any other organization that contracts with Carriers for payment for Health Care Services.

13.	Proposed Effective Date of the Proposed Material Change	Indicate the effective date of the proposed Material Change. NOTE: The effective date may not be fewer than 60 days from the date of the filing of the Notice.
14.	Description of the Proposed Material Change	Provide a brief narrative describing the nature and objectives of the proposed Material Change, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of Health Care Services). Include organizational charts and other supporting materials as necessary to illustrate the proposed change in ownership, governance, or operational structure.
15.	Impact of the Proposed Material Change	Provide a brief description of any analysis conducted by the notifying organization as to the anticipated impact of the proposed Material Change including, but not limited to, the following factors, as applicable: <ul style="list-style-type: none"> <li>• Costs</li> <li>• Prices, including prices of the Provider or Provider Organization involved in the proposed Merger, Acquisition, affiliation or other proposed Material Change</li> <li>• Utilization</li> <li>• Health Status Adjusted Total Medical Expenses</li> <li>• Market Share</li> <li>• Referral Patterns</li> <li>• Payer Mix</li> <li>• Service Area(s)</li> <li>• Service Line(s)</li> <li>• Service Mix</li> </ul>

- |       |   |  |
|-------|---|--|
| 16.   | Future Planned Material Changes               | Provide a brief description of the nature, scope and dates of any pending or planned Material Changes, occurring between the notifying organization and any other entity, within the 12 months following the date of the notice.   |
| <hr/> |   |  |
| 17.   | Submission to Other State or Federal Agencies | Indicate the date and nature of any other applications, forms, notices or other materials provided to other state or federal agencies relative to the proposed Material Change, including but not limited to the Department of Public Health (e.g., Determination of Need Application, Notice of Intent to Acquire, Change in Licensure), Massachusetts Attorney General (e.g., notice pursuant to G.L. c. 180, §8A(c)), U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application) and Federal Trade Commission/Department of Justice (e.g., Notification and Report Form pursuant to 15 U.S.C. sec. 18a). |
| <hr/> |   |  |



## Exhibit 10: Articles of Organization

(may be a partner)

041  
042  
044

\$30.00

# The Commonwealth of Massachusetts

OFFICE OF THE SECRETARY OF STATE  
ONE ASHBURTON PLACE, BOSTON, MA 02108

FEDERAL IDENTIFICATION

NO. 04-1174680

Michael Joseph Connolly, Secretary

## RESTATED ARTICLES OF ORGANIZATION

General Laws, Chapter 180, Section 7

This certificate must be submitted to the Secretary of the Commonwealth within sixty days after the date of the vote of members or stockholders adopting the restated articles of organization. The fee for filing this certificate is \$30. Make check payable to the Commonwealth of Massachusetts.

We, David S. Weiner  
Antoinette Valenza

President/Vice President and  
Secretary/Clerk of  
Asst. Secretary

The Children's Hospital Medical Center

(Name of Corporation)

located at 300 Longwood Avenue, Boston, Massachusetts 02115

do hereby certify that the following restatement of the articles of organization of the corporation was duly adopted at a meeting held on December 14, 1982, by vote of 10 members, shareholders, being at least two thirds of its members 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 thereon);

1. The name by which the corporation shall be known is: The Children's Medical Center Corporation ✓

2. The purposes for which the corporation is formed are as follows:-

To support the advancement of the knowledge and practice of, and education and research in, medicine, surgery, nursing and all other subjects relating to the care, treatment and healing of infants, children, adolescents and young adults, to improve the health and welfare of all such persons, and, to the extent desirable or practicable, to sponsor, develop and promote services and programs which are charitable, scientific, or educational and which address the physical and mental needs of the community at large, 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 The Children's Hospital Corporation and its affiliated organizations, including medical centers, health care centers, nursing centers, laboratories, clinics and other medical, surgical or dental facilities, in the conduct of their charitable, educational and scientific functions.

T.H.

Received  
EJ  
WJS

3. If the corporation has more than one class of members, the designation of such classes, the manner of election or appointment, the duration of membership and the qualification and rights, including voting rights, of the members of each class, are as follows:— •

Not Applicable

- \*4. 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 Pages 4A through 4D attached hereto and made a part hereof.

December 29, 1982

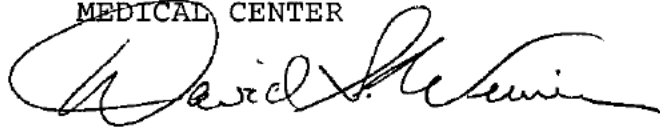
Secretary of State  
Corporate Division  
One Ashburton Place  
Boston, Massachusetts 02202

Gentlemen:

The Children's Hospital Medical Center, a corporation organized and existing under the laws of Massachusetts, hereby consents to the use of the name The Children's Medical Center Corporation, by a corporation organized under Chapter 180 of the General Laws.

Sincerely yours,

THE CHILDREN'S HOSPITAL  
MEDICAL CENTER

A handwritten signature in dark ink, appearing to read "David A. Keenan", is written over the typed name of the organization.

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

(a) The corporation shall have perpetual succession in its corporate name.

(b) The corporation may sue and be sued.

(c) The corporation may have a corporate seal which it may alter at pleasure.

(d) The corporation may elect or appoint directors, officers, employees and other agents, fix their compensation and define their duties and obligations.

(e) The corporation may purchase, receive or take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated, in an unlimited amount.

(f) The corporation may solicit and receive contributions from any and all sources and may receive and hold, in trust or otherwise, funds received by gift or bequest.

(g) The corporation may sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage, pledge, encumber or create a security interest in, all or any of its property, or any interest therein, wherever situated.

(h) The corporation may purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, use and otherwise deal in and with, bonds and other obligations, shares, or other securities or interests issued by others, whether engaged in similar or different business, governmental, or other activities.

(i) The corporation may make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or encumbrance of, or security interest in, all or any of its property or any interest therein, wherever situated.

(j) The corporation may lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

(k) The corporation may do business, carry on its operations, and have offices and exercise the powers granted by Massachusetts General Laws, Chapter 180, in any jurisdiction within or without the United States, although the corporation shall not be operated for the primary purpose of carrying on for profit a trade or business unrelated to its tax exempt purposes.

(l) The corporation may pay pensions, establish and carry out pension, savings, thrift and other retirement and benefit plans, trusts and provisions for any or all of its directors, officers and employees.

(m) The corporation may make donations in such amounts as the members or directors shall determine, irrespective of corporate benefit, for the public welfare or for community fund, hospital, charitable, religious, educational, scientific, civic or similar purposes, and in time of war or other national emergency in aid thereof; provided that, as long as the corporation is entitled to exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code, it shall make no contribution for other than religious, charitable, scientific, testing for public safety, literary, or educational purposes or for the prevention of cruelty to children or animals.

(n) The corporation may be an incorporator of other corporations of any type or kind.

(o) The corporation may be a partner in any business enterprise which it would have power to conduct by itself.

(p) The directors may make, amend or repeal the by-laws in whole or in part, except with respect to any provision thereof which by law or the by-laws requires action by the members.

(q) Meetings of the members may be held anywhere in the United States.

(r) No part of the assets of the corporation and no part of any net earnings of the corporation shall be divided among or inure to the benefit of any officer or director of the corporation or any private individual or be appropriated

for any purposes other than the purposes of the corporation as herein set forth; 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 that the corporation makes expenditures for purposes of influencing legislation in conformity with the requirements of 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 any candidate for public office. It is intended that the corporation shall be entitled to exemption from federal 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.

(s) Upon the liquidation or dissolution of the corporation, after payment of all of the liabilities of the corporation or due provision therefor, all of the assets of the corporation shall be disposed of to one or more organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

(t) 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 by-laws of the corporation, the following provisions shall apply:

The directors shall distribute the income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code.

The directors 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 incur tax liability under Section 4944 of the Internal Revenue Code; nor make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.

(u) The corporation shall have and may exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed; provided, however, that no such power shall be exercised in a manner inconsistent with Massachusetts General Laws, Chapter 180 or

any other chapter of the General Laws of The Commonwealth of Massachusetts; and provided, further, that the corporation shall not engage in any activity or exercise any power which would deprive it of any exemption from federal income tax which the corporation may receive under Section 501(c)(3) of the Internal Revenue Code.

(v) All references herein: (i) to the Internal Revenue Code shall be deemed to refer to the Internal Revenue Code of 1954, 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 of The Commonwealth of Massachusetts shall be deemed to refer to similar or successor provisions hereafter adopted.



"We further certify that the foregoing restated articles of organization effect no amendments to the articles of organization of the corporation as heretofore amended, except amendments to the following articles .....

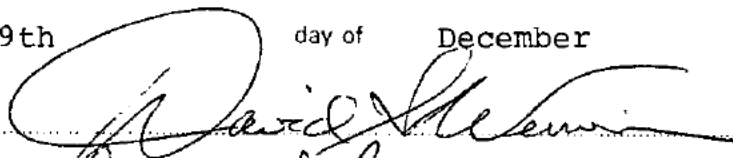

(If there are no such amendments, state "None".)

The Articles of Organization have been restated  
in their entirety.

The effective date of these Restated Articles of  
Organization shall be January 1, 1983.

IN WITNESS WHEREOF AND UNDER THE PENALTIES OF PERJURY, we have hereto signed our names this

29th day of December in the year 19 82.

President/ ~~XXXXXX~~

Asst.  
Secretary  
~~XXXXXXXXXX~~

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RECEIVED  
JAN 11 1983  
SECRETARY OF THE COMMONWEALTH  
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 30.00 having been paid, said articles are deemed to have been filed with me this 30th day of December 1982

Effective Date January 1, 1983 ✓

*Michael Joseph Connolly*  
**MICHAEL JOSEPH CONNOLLY**

Secretary of the Commonwealth

State House, Boston, Mass.

TO BE FILLED IN BY CORPORATION

PHOTO COPY OF RESTATED ARTICLES OF ORGANIZATION TO BE SENT

to: Ronald B. Schram, Esquire

Ropes & Gray

225 Franklin Street

Boston, MA 02110

(617) 423-6100