

NEW ENGLAND BAPTIST SURGERY CENTER, LLC

**APPLICATION FOR DETERMINATION OF NEED; APPLICATION # XXX FOR AMBULATORY SURGERY
CENTER**

August 31, 2022

BY

NEW ENGLAND BAPTIST SURGERY CENTER, LLC

40 ALLIED DRIVE, DEDHAM, MA 02026

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New England Baptist Hospital Outpatient Care Center

April 2022 – David A. Passafaro

Beth Israel Lahey Health 
New England Baptist Hospital

The New England Baptist Outpatient Care Center

40 Allied Drive, Dedham MA 02026



The New England Baptist Outpatient Care Center

The New England Baptist Outpatient Care Center has been a member of the Dedham community since 2014.

- With a focus on sports medicine and orthopedic surgery, the Center offers patients a complete experience where all of their outpatient surgical, pain management, and rehabilitative needs can be met in one place.
- Services offered include physician consults, ambulatory surgery, hand therapy, an interdisciplinary pain management program, imaging, osteopathic manipulative medicine, outpatient rehabilitation (physical, occupational and hand therapy), the Spine Center, and sports performance.
- NEBH does not provide emergency medical services

The New England Baptist Outpatient Care Center

NEBH is submitting an application to the Commonwealth of Massachusetts to transfer ownership of their Ambulatory Surgical Center located at 40 Allied Drive in Dedham, MA to a newly formed entity that includes 16 orthopedic surgeons and New England Baptist Hospital. This newly formed entity will improve health care and access for the communities that we are privileged to serve.

- The ambulatory surgery center, located on the second floor has eight operating rooms, pre-op and post op recovery area, two procedure rooms used for the Pain Management service, and an equipment sterilization room.
- Current Ambulatory Center is underutilized and will provide space for more surgeons to operate on patients with musculoskeletal issues.
- Total Joint Replacements (Arthroplasty, Hip and Knee) is a growing Orthopedic procedure that is migrating to the out-patient centers across the country and in New England. As the leader of Musculoskeletal services (MSK) in New England, the Baptist has created this Joint Venture with many surgeon physicians to establish a multi-service center in the out-patient setting.
- More and more, particularly since COVID, patients are demanding services outside the typical hospital setting.
- Local trends for the volume of TJRs of inpatient hip and knee are expected to decline significantly over the next decade while outpatient TJRs will see significant growth, projected to be 152% growth by 2024 and over 200% by 2029.

The New England Baptist Outpatient Care Center

- All payers, Medicare, Medicaid, and all commercial payers are driving more business to the outpatient setting where the total medical spend for an episode of care is significantly less than the inpatient model.
- The Dedham facility is not a new request for a license, rather an attempt to use the existing license more fully and addressing the needs of patients by:
 - The doctors practicing at Dedham today will be the are the same doctors practicing there in the future;
 - The nursing and surgical staff working at Dedham today will be offered positions in the ASC to insure the continuity of care;
- The services offered at Dedham today will be offered in the future with some expansion of the total joint replacement cases;
- We do not expect any great increase in traffic or other community impacts due to this transfer of ownership, as the location remains on Allied Drive off of Route 128.

About New England Baptist Hospital

About New England Baptist Hospital

Our Mission

New England Baptist Hospital will transform the lives of those we serve by promoting wellness, restoring function, lessening disability, alleviating pain, and advancing knowledge in musculoskeletal diseases and related disorders.

- Since 1893, New England Baptist Hospital has been devoted to one mission: providing the highest-quality and most compassionate patient care available
- New England Baptist Hospital (NEBH) is the premier regional provider for orthopedic surgery and the treatment of musculoskeletal diseases and disorders.
- NEBH has received national recognition, and is consistently ranked as one of America's top hospitals for orthopedics by *U.S. News and World Report*.
- NEBH has also been nationally recognized for high patient satisfaction and leadership in quality and clinical outcomes.
- For the past eleven years, the Hospital has received the Press Ganey Guardian of Excellence Award. This prestigious national award is granted only to hospitals ranking in the 95th percentile or higher in patient satisfaction.

About New England Baptist Hospital

- New England Baptist Hospital has been the official and exclusive hospital of the Boston Celtics for over 30 years. Providing comprehensive medical services to the team
- New England Baptist Hospital is proud to be a preferred provider for orthopedic surgery for Atrius Health.
- NEBH is an affiliate of Tufts University School of Medicine, conducts teaching programs in collaboration with Harvard Medical School.
- New England Baptist Hospital is part of Beth Israel Lahey Health.

About New England Baptist Hospital



NEBH has earned The Joint Commission's Gold Seal of Approval for Advanced Certification for Total Hip and Total Knee Replacement. NEBH is the only hospital in Boston to achieve this designation.



CENTERS FOR MEDICARE & MEDICAID SERVICES

The Centers for Medicare & Medicaid Services (CMS) have a **five star rating tool** that allows patients and their families to compare hospitals based on their overall rating. New England Baptist Hospital received the top score of five stars.



New England Baptist Hospital ranks among the top hospitals in the country for orthopedics.



New England Baptist Hospital received the top rating of "High Performing" from **US News and World Report** for both hip and knee replacement. This rating is given only to hospitals that exceed expected standards of care.



NEBH is one of only eight percent of hospitals in the country to achieve this status, which is the highest honor given for nursing in the United States.



For thirteen years in a row, NEBH has been awarded the prestigious Press Ganey Guardian of Excellence Award. The Award recognizes top-performing hospitals that sustain the highest level of national performance, ranking in the 95th percentile or higher for patient satisfaction for at least three consecutive years.

**New England Baptist
Hospital
125 Parker Hill Avenue
Boston, MA 02120**

**New England Baptist
Outpatient Care Center
40 Allied Drive
Dedham, MA 02026**

**David A. Passafaro, President
617-754-5001**

APPENDIX 9_CERTIFICATE OF ORGANIZATION

https://corp.sec.state.ma.us/CorpWeb/CorpSearch/CorpSearchRedirector.aspx?Action=PDF&Path=CORP_DRIVE1/2021/1117/000000000/7567/202182874620_1.pdf

Public Announcement Concerning a Proposed Health Care Project

New England Baptist Surgery Center, LLC (the "Applicant"), 40 Allied Drive, Dedham, MA 02026, intends to file a Notice of Determination of Need ("Application") with the Massachusetts Department of Public Health for the establishment of a freestanding ambulatory surgery center to be located at 40 Allied Drive, Suite 200 in Dedham (the "Proposed Project"). The 40 Allied Drive, Suite 200 location is currently operated as a hospital-licensed ambulatory surgery facility by New England Baptist Hospital. The Proposed Project would result in the existing facility being converted to a licensed freestanding ambulatory surgery clinic operated by the Applicant, which is a joint venture comprised of NEBSC Hospital Holdings, LLC (majority owned by New England Baptist Hospital, with Constitution Surgery Alliance Massachusetts, LLC as minority owner) and Surgeon Holdings, LLC (owned by physicians on the New England Baptist Hospital's medical staff). The Total Value of the Project is \$26,273,899. The Applicant does not anticipate any adverse price or service impacts on its existing Patient Panel as a result of the Proposed Project. Any ten taxpayers of Massachusetts may register in connection with the intended Application by no later than September 26, 2022 or 30 days from the Filing Date, whichever is later, by contacting the Department of Public Health, Determination of Need Program, at dph.don@state.ma.us (preferred) or 250 Washington Street, 4th Floor, Boston, MA 02108.

August 10, 2022

#NY0056359



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. Capitalized terms in this Notice are defined in 958 CMR 7.02. Additional sub-regulatory guidance may be available on the Commission’s website (e.g., Technical Bulletins, FAQs). For further assistance, please contact the Health Policy Commission at HPC-Notice@state.ma.us. This form is subject to statutory and regulatory changes that may take place from time to time.

REQUIREMENT TO FILE

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

SUBMISSION OF NOTICE

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

Health Policy Commission HPC-Notice@state.ma.us;

Office of the Attorney General HCD-6D-NOTICE@state.ma.us;

Center for Health Information and Analysis CHIA-Legal@state.ma.us

PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

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

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

CONFIDENTIALITY

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

NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: 1/18/2022

1. Name: **NEBSC Hospital Holdings, LLC**

2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	87-4293833	N/A	N/A

CONTACT INFORMATION

3. Business Address 1: **125 Parker Hill Avenue**

4. Business Address 2:

5. City: **Boston** State: **MA** Zip Code: **02120**

6. Business Website: **tbd**

7. Contact First Name: **Alan** Contact Last Name: **Einhorn**

8. Title: **Partner, Foley & Lardner LLP**

9. Contact Phone: **617-342-4094** Extension:

10. Contact Email: **aeinhorn@foley.com**

DESCRIPTION OF ORGANIZATION

11. *Briefly* describe your organization.

NEBSC Hospital Holdings, LLC ("Hospital Holdco") is a limited liability company formed for the purpose of participating in a joint venture with NEBSC Surgeon Holdings, LLC ("Surgeon Holdco") to own and operate a licensed, freestanding ambulatory surgery center ("ASC"). New England Baptist Hospital ("NEBH"), a nationally recognized orthopedic specialty hospital that provides orthopedic surgery and treatment of musculoskeletal diseases in the greater Boston area, is the majority owner of Hospital Holdco. Constitution Surgery Alliance, Massachusetts, LLC ("CSA Massachusetts"), a subsidiary of a well-established surgery center management and development company, Constitution Surgery Alliance, LLC ("CSA"), owns the remaining, minority interest of Hospital Holdco. Surgeon Holdco's members will be orthopedic surgeons who are currently on the medical staff of NEBH and who will perform surgery at the ASC. The membership of Surgeon Holdco is not yet closed and is anticipated to include surgeons belonging to groups that have existing clinical affiliations with NEBH.

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? **Upon receipt of all regulatory approvals**

MATERIAL CHANGE NARRATIVE

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

The proposed material change is the formation of New England Baptist Surgery Center, LLC ("NEBSC" or the "joint venture"), to (i) assume the ownership of an ambulatory surgery facility located in a licensed NEBH satellite site at 40 Allied Drive, Suite #200, Dedham, Massachusetts, and (ii) operate the surgery facility as a free-standing ASC at the existing location. Hospital HoldCo will hold a 51% interest in the joint venture and Surgeon HoldCo will hold a 49% interest. CSA will manage the ASC. Capital contributions to the joint venture, as well as allocations and distributions, will be made in accordance with the joint venture members' ownership percentages. It is not anticipated that any Health Care Services will be diminished as a result of the proposed material change.

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

The change from a hospital-based to a freestanding ASC will allow for the delivery of needed ambulatory orthopedic surgery services of the same high quality as service area patients are used to, but in a more efficient, lower cost setting. The joint venture will partner with providers currently on the medical staff of NEBH, so referral patterns will likely be unchanged other than the on-going migration of orthopedic cases from an inpatient to outpatient setting. The freestanding ASC will also adopt NEBH's financial assistance and charity care policies, helping to ensure affordable access to care.

DEVELOPMENT OF THE MATERIAL CHANGE

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

Hospital Holdco does not anticipate making any other Material Change in the next 12 months.

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

None.

SUPPLEMENTAL MATERIALS

18. Submit the following materials, if applicable, under separate cover to HPC-Notice@state.ma.us.

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

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

[Remainder of this page intentionally left blank]

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

AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

I, the undersigned, certify that:

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

Signed on the 18th day of January, 20 22, under the pains and penalties of perjury.

Signature: David A Passafaro

Name: David Passafaro

Title: Manager

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:

Claire E. Neidhardt July 7, 2028
Notary Signature

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)

EXPLANATIONS AND DEFINITIONS

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

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

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

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

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

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

- | | | |
|-------|---|--|
| 16. | Future Planned Material Changes | Provide a brief description of the nature, scope and dates of any pending or planned Material Changes, occurring between the notifying organization and any other entity, within the 12 months following the date of the notice. |
| <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/> | | |



NOTICE OF MATERIAL CHANGE FORM

GENERAL INSTRUCTIONS

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REQUIREMENT TO FILE

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SUBMISSION OF NOTICE

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Health Policy Commission HPC-Notice@state.ma.us;

Office of the Attorney General HCD-6D-NOTICE@state.ma.us;

Center for Health Information and Analysis CHIA-Legal@state.ma.us

PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

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

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

CONFIDENTIALITY

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

NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: 1/18/2022

1. Name: **NEBSC Surgeon Holdings, LLC**

2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	87-3624493	N/A	N/A

CONTACT INFORMATION

3. Business Address 1: **125 Parker Hill Avenue**

4. Business Address 2:

5. City: **Boston** State: **MA** Zip Code: **02120**

6. Business Website: **td**

7. Contact First Name: **Alan** Contact Last Name: **Einhorn**

8. Title: **Partner, Foley & Lardner LLP**

9. Contact Phone: **617-342-4094** Extension:

10. Contact Email: **aeinhorn@foley.com**

DESCRIPTION OF ORGANIZATION

11. *Briefly* describe your organization.

NEBSC Surgeon Holdings, LLC ("Surgeon Holdco") is a limited liability company formed for the purpose of participating in a joint venture with NEBSC Hospital Holdings, LLC ("Hospital Holdco") to own and operate a licensed, freestanding ambulatory surgery center ("ASC"). The members of Surgeon Holdco will be orthopedic surgeons who are currently on the medical staff of New England Baptist Hospital ("NEBH") and who will perform surgery at the ASC. The membership of Surgeon Holdco is not yet closed and is anticipated to include surgeons belonging to groups that have existing clinical affiliations with NEBH. Constitution Surgery Alliance, Massachusetts, LLC ("CSA Massachusetts"), a subsidiary of a well-established surgery center management and development company, Constitution Surgery Alliance, LLC ("CSA"), will also hold a de minimis interest (~0.1%) interest in Surgeon Holdco.

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? **Upon receipt of all regulatory approvals**

MATERIAL CHANGE NARRATIVE

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

The proposed material change is the formation of New England Baptist Surgery Center, LLC ("NEBSC" or the "joint venture"), to (i) assume the ownership of an ambulatory surgery facility located in a licensed NEBH satellite site at 40 Allied Drive, Suite #200, Dedham, Massachusetts, and (ii) operate the surgery facility as a free-standing ASC at the existing location. Hospital HoldCo will hold a 51% interest in the joint venture and Surgeon HoldCo will hold a 49% interest. CSA will manage the ASC. Capital contributions to the joint venture, as well as allocations and distributions, will be made in accordance with the joint venture members' ownership percentages. It is not anticipated that any Health Care Services will be diminished as a result of the proposed material change.

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

The change from a hospital-based to a freestanding ASC will allow for the delivery of needed ambulatory orthopedic surgery services of the same high quality as service area patients are used to, but in a more efficient, lower cost setting. The joint venture will partner with providers currently on the medical staff of NEBH, so referral patterns will likely be unchanged other than the on-going migration of orthopedic cases from an inpatient to outpatient setting. The freestanding ASC will also adopt NEBH's financial assistance and charity care policies, helping to ensure affordable access to care.

DEVELOPMENT OF THE MATERIAL CHANGE

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

Surgeon Holdco does not anticipate making any other Material Change in the next 12 months.

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

None.

SUPPLEMENTAL MATERIALS

18. Submit the following materials, if applicable, under separate cover to HPC-Notice@state.ma.us.

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

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

[Remainder of this page intentionally left blank]

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

AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

I, the undersigned, certify that:

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

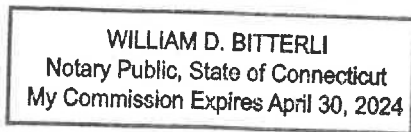
Signed on the 18th day of January, 20 22, under the pains and penalties of perjury.

Signature: 

Name: Kristian Mineau

Title: Manager

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"> • Costs • Prices, including prices of the Provider or Provider Organization involved in the proposed Merger, Acquisition, affiliation or other proposed Material Change • Utilization • Health Status Adjusted Total Medical Expenses • Market Share • Referral Patterns • Payer Mix • Service Area(s) • Service Line(s) • Service Mix

- | | | |
|---|---|--|
| 16. | Future Planned Material Changes | Provide a brief description of the nature, scope and dates of any pending or planned Material Changes, occurring between the notifying organization and any other entity, within the 12 months following the date of the notice. |
| <hr style="border: 1px solid orange;"/> | | |
| 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 style="border: 1px solid blue;"/> | | |



The Commonwealth of Massachusetts
HEALTH POLICY COMMISSION
50 MILK STREET, 8TH FLOOR
BOSTON, MASSACHUSETTS 02109
(617) 979-1400

STUART H. ALTMAN
CHAIR

DAVID M. SELTZ
EXECUTIVE DIRECTOR

April 12, 2022

Eryn Eddy
Beth Israel Lahey Health Performance Network
109 Brookline Avenue Suite 300
Boston, MA 02118

RE: ACO LEAP Certification

Dear Mrs. Eddy:

Congratulations! The Health Policy Commission (HPC) is pleased to inform you that Beth Israel Lahey Health Performance Network meets the requirements for ACO Certification under our Learning, Equity, and Patient-Centeredness (LEAP) standards. This certification is effective from January 1, 2022, through December 31, 2023.

The ACO Certification program, in alignment with other state agencies including MassHealth, is designed to accelerate care delivery transformation in Massachusetts and promote a high quality, efficient health system. ACOs participating in the program have met a set of objective criteria focused on core ACO capabilities demonstrating dedication to patient-centered care, use of evidence-based and data-driven strategies to improve care delivery, and commitment to addressing long-standing health inequities. Beth Israel Lahey Health Performance Network meets those criteria.

The HPC will promote Beth Israel Lahey Health Performance Network as a Certified ACO on our website and in our marketing and public materials. Enclosed you will find an ACO Certification logo for your organization to use in accordance with the attached Terms of Use. We hope you will use the logo on promotional materials when you highlight your ACO Certification to your patients, payers, and others.

The HPC looks forward to ongoing engagement with you over the next two years. We intend to follow up shortly to provide an overview and some reflections on what we saw in the Health Equity Responses, a new feature of the ACO Certification application this year, across the cohort of Certified ACOs. We hope your organization will find that information helpful as we all continue to explore ways to improve health equity in the Commonwealth.

Thank you for your dedication to providing accountable, coordinated health care to your patients, and to continued learning and improvement over time. If you have any questions about this letter or the ACO Certification program, please do not hesitate to contact Mike Stanek, Senior Manager, at HPC-Certification@mass.gov or (617) 757-1649.

Best wishes,

A handwritten signature in blue ink, appearing to read "David Seltz".

David Seltz
Executive Director

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER

Beth Israel Lahey Health

New England Baptist Hospital

125 Parker Hill Avenue
Boston, Massachusetts 02120
617-754-5142

BANK OF AMERICA

52-153/112

CHECK NO: 000615848
VENDOR NO: B560000449

CHECK AMOUNT

**\$8031.48

Valid After 60 Days

CHECK DATE: 08/30/22

PAY EIGHT THOUSAND THIRTY-ONE 48/100

TO THE
ORDER OF

COMMONWEALTH OF MASSACHUSETTS

DON PROG DEPT OF PUBLIC HEALTH
ATTN: ELIZABETH KELLY
67 FOREST STREET
MARLBOROUGH, MA 01752


TO BE COUNTERSIGNED IF \$5,000 OR OVER
AUTHOR: SIGNATURE

REDACTED

Beth Israel Lahey Health

New England Baptist Hospital

125 Parker Hill Avenue Boston, Massachusetts 02120

CHECK DATE: 08/30/22
CHECK NO: 000615848

INVOICE NUMBER	DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET PAY
083022	08/30/22	DON PROG	8031.48	0.00	8031.48
			GROSS AMT TOT	DISCOUNT TOT	NET AMOUNT TOTAL
			8031.48	0.00	8031.48

VENDOR NO. B560000449

TOTALS

REMITTANCE ADVICE

Subject: RE: HPC Review of Recent Material Change Notice

From: Seltz, David (HPC) <david.seltz@state.ma.us>

Sent: Thursday, March 24, 2022 4:49 PM

To: Passafaro, David (NEBH) <dpassafa@nebh.org>; AWarren@foley.com <AWarren@foley.com>; AEinhorn@foley.com <AEinhorn@foley.com>; juliegrey@csasurgery.com <juliegrey@csasurgery.com>

Cc: Mills, Katherine (HPC) <katherine.mills@state.ma.us>; Hayes-Rusnov, Sasha (HPC) <sasha.hayes-rusnov@state.ma.us>; Johnson, Lois (HPC) <lois.johnson@state.ma.us>

Subject: HPC Review of Recent Material Change Notice

THIS E-MAIL WAS SENT FROM OUTSIDE OF THE NEBH E-MAIL SYSTEM.

Do not click links or download attachments unless you know the content is safe. If you are not sure whether the e-mail is safe, contact the help desk at x45300.

Good afternoon,

The Health Policy Commission (HPC) recently received completed notices of material change concerning a proposed joint venture between NEBSC Hospital Holdings, LLC (Hospital Holdco), NEBSC Surgeon Holdings, LLC (Surgeon Holdco), and Constitution Surgery Alliance, Massachusetts, LLC. The joint venture would assume ownership of an existing NEBH-licensed ambulatory surgery center (ASC) in Dedham, converting it from a hospital-based site to a freestanding ASC. The HPC has conducted a preliminary review of the notices based on available information and has elected **not** to proceed with a cost and market impact review.

Thank you for your courtesy and cooperation.

David Seltz
Executive Director
Health Policy Commission

cc:

Katherine Mills, Director of Market Performance, Health Policy Commission
Sasha Hayes-Rusnov, Asst Director of Market Performance, Health Policy Commission
Lois Johnson, General Counsel, Health Policy Commission