

BAYSTATE HEALTH, INC.  
AMENDMENT TO DoN PROJECT #1-3B36

TABLE OF EXHIBITS  
JULY 31, 2018

- Attachment 10.5.a    Describe the Proposed Change
- Attachment 10.5.b    Describe the Associated Cost Implications to the Holder
- Attachment 10.5.d    Provide a Detailed Narrative, Comparing the Approved Project to the  
Proposed Significant Change, and the Rationale for Such Change
  
- A.    Staff Summary for Approved DoN Original Decision Letter Amendments to Approved  
DoN
  - 1.    Staff Summary
  - 2.    Original DoN Approval Letter
  - 3.    Amendment Approval Letters (6)
- B.    Project GSF
- C.    Plans
- D.    Historic Volume and Projections
- E.    Articles of Organization and Amendments
- F.    Notice of Intent
- G.    Affidavit of Truthfulness and Compliance

**Attachment 10.5.a**

**Describe the Proposed Change**

10.5.a Describe the proposed change.

Background

Baystate Medical Center, Inc. (“Holder” or “Hospital”) received approval from the Department of Public Health on November 14, 2007 for new construction of a seven (7)-story addition for the replacement of medical/surgical beds, the addition of eighteen (18) medical/surgical beds and thirty (30) critical care beds, and other ancillary and support service replacements, improvements, and additions. In addition, the original DoN approval authorized the construction of a new building known as the "Hospital of the Future" ("HOF"). As part of a long-term strategic plan, the HOF was designed to include shell space that could be built out as required to meet the Hospital's service needs.

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

Consistent with the original strategic plan for the HOF, the original DoN has been amended six (6) times to date as shell space is built out. Each amendment has allowed the Hospital to meet a distinct, identified service need. These separate build-outs achieve the goals of the flexible design for the shell space and allow the Hospital to continue to provide high quality health care. The chart below details each amendment to the Project in addition to the associated changes in the approved gross square feet ("GSF").

Filing Type	Approval Date	Approved Gross Square Footage ("GSF")				
		Total GSF	New Const GSF (without shell)	Renovation GSF	Shell Space GSF	New Const GSF (with shell)
DoN #1-3B36	11/27/2007	641,250	303,300	42,150	295,800	599,100
Amendment	08/11/2009	630,504	303,300	44,900	282,304	585,604
Amendment	11/18/2009	686,086	303,300	44,900	337,886	641,186
Amendment	02/28/2011	692,276	381,857	48,974	261,445	643,302
Amendment	09/19/2012	692,276	461,973	48,974	181,329	643,302
Amendment	08/14/2014	692,276	475,616	48,974	167,686	643,302
Amendment	01/26/2017	698,634	486,749	55,332	156,553	643,302

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

Filing Type	Approval Date	Approved MCE	Approved Year \$
DoN #1-3B36	11/27/2007	\$239,318,527	March 2007
Amendment	08/11/2009	\$239,318,527	March 2007
Amendment	11/18/2009	\$239,318,527	March 2007
Amendment	02/28/2011	\$314,083,474	November 2010
Amendment	09/19/2012	\$359,423,474	June 2012

Filing Type	Approval Date	Approved MCE	Approved Year \$
Amendment	08/14/2014	\$366,266,390	April 2014
Amendment	01/26/2017	\$373,520,390	October 2016

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

The related DoN approvals for all the filings listed above are attached as Exhibit A. Consistent with the intent of the original DoN approval, the Holder is now seeking another significant amendment to build out additional space in its HOF building.

### Proposed Project

At this time the Holder proposes building out 22,640 additional GSF in the HOF building to replace its existing 3,484 GSF electrophysiology lab on Daly 5, the 7,871 GSF cardiac catheterization procedure rooms located on Daly 3, and one 316 GSF operating room currently located on the Daly 1<sup>st</sup> floor. This amendment will result in a one-for-one replacement of these functional areas without any increase in the number of procedure or operating rooms; however, as such spaces will be consistent with current hospital construction standards, the replacement areas will involve more GSF than currently dedicated to these services. In addition to procedure or operating rooms, shell space will be built out to accommodate necessary and related support functions, including pre- and post-op care bays, staff support space, waiting room, and elevator and switchgear installation. Collectively, these activities are the “Project.”

This amendment will increase the total Project GSF to 703,560 GSF. This is the result from the build-out of an additional 22,630 GSF of shell space and an additional 4,926 GSF of renovation. The total incremental MCE is projected as \$56,032,439 (July 2018 dollars). This brings the total MCE for the DoN to \$429,552,829.

The proposed build-out of space to accommodate the electrophysiology and cardiac catheterization procedure rooms, along with the relocation of one operating room into one general area where the heart and vascular operating rooms and related critical care beds are located, has been a key component of the Hospital's long-term Heart and Vascular Services Master Plan. By locating all of these related functions in the same area, an interdisciplinary approach to care is facilitated and certain service efficiencies can be obtained. Approval of this significant amendment to the Project will allow the Hospital to continue to achieve high quality of care in the delivery of its heart and vascular services in clinically integrated and state-of-the-art facilities.

**Attachment 10.5.b**

**Describe the associated cost implications to the Holder**

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

Due to the changes in the scope of the Project, the Holder is seeking approval for an increase to the currently approved MCE. The previous amendment approval authorized an additional \$7,254,000 (October 2016 Dollars) to be spent on the Project, which resulted in the current approved MCE of \$373,520,390 (October 2016 dollars). The Holder now requests approval for an additional \$56,032,439 (July 2018 dollars) to be added in order to implement the Project described in this Amendment.

The total requested MCE is composed of \$49,234,439 for build out of shell space and \$6,798,000 for the related renovation. The cost of construction on a per-GSF basis is \$1,024, which is higher than the typical cost per GSF for general hospital construction due to the fact that all of the construction is related to complex infrastructure or procedure rooms. All of these areas are highly technical in nature and have additional costs associated with such things as electrical, plumbing and HVAC that increase the cost per GSF for construction as compared to patient rooms or other areas that are not as complex.

The requested \$56,032,439 addition to the DoN's approved MCE is relatively modest when the scope and nature of the entire Project is considered. It is well within the Holder's financial capability. Moreover, it is consistent with the underlying premise of this DoN approval, which provided for shell space for future expansion and replacement of current hospital facilities when demand is sufficient and as the Holder can reasonably accommodate the capital expenditure. The chart below details the requested additional capital expenditures compared to the last approved amendment by DoN capital cost categories.

Category of Expenditure	Requested New Const (7/18 \$)	Requested Renovation (7/18 \$)	Total Additional MCE
<b>Land Costs</b>			
Land Acquisition	0	0	0
Non-Dep. Land Dev.	0	0	0
Site Survey and Soil	0	0	0
<b>Total Land Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Construction Costs</b>			
Deprec. Land Development Costs	0	0	0
Construction Contract	23,119,589	5,100,000	28,219,589
Fixed Equip Not in Contract	0	0	0
Architectural & Engineer Costs	1,884,000	400,000	2,284,000
Pre-filing Plan & Development	37,000	8,000	45,000
Post-filing Plan & Development	37,000	8,000	45,000
Other: Information Services	5,270,000	1,155,000	6,425,000
Other: Furniture and Fit-out	481,850	105,000	586,850
Net Interest Expense During Cons	0	0	0
Major Movable Equip	18,405,000	22,000	18,427,000
<b>Total Construction Costs</b>	<b>\$49,234,439</b>	<b>\$6,798,000</b>	<b>\$56,032,439</b>
<b>Financing Costs</b>			
Costs of Securing Fin	0	0	0
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>\$49,234,439</b>	<b>\$6,798,000</b>	<b>\$56,032,439</b>

As the above chart illustrates, the majority of capital costs are associated with the construction costs for the build-out of shell space and the acquisition of equipment. Based on the Project description, this is appropriate as the construction work required is related to procedure rooms and related support space, all of which have extensive electrical, plumbing, life/safety, and HVAC costs. These costs are reasonable and more cost effective than if the Holder renovated the current outdated space and associated facilities, which are undersized and inadequate under current standards. Additionally, the movable equipment costs reflect the fact the Holder is replacing complex radiology and other specialized equipment necessary for the cardiac catheterization and electrophysiology services that is currently outdated and at the end of its reasonable and useful life span.

The operational cost impact on the Holder will be minor when compared to such costs hospital-wide. It is not expected that staffing will increase for several years as this Project amendment is essentially a one-for-one replacement of existing procedure/operating rooms and is being designed to promote more efficient staffing. Supply cost will incrementally increase as a result of increases in the number of procedures performed, just as it would if the project were not implemented. The following chart illustrates the Holder's estimated supply cost impact for its projected increase in combined electrophysiology lab, cardiac catheterizations, and related surgical procedures over the next four (4) years.

<b>Fiscal Year</b>	<b>Additional Procedures</b>	<b>Incremental Supply Costs</b>
FY 2020	47	\$542,000
FY 2021	95	\$1,085,000
FY 2022	145	\$1,672,000
FY 2023	195	\$2,260,000

The incremental impact of the additional depreciation expense arising from this project is currently estimated as \$4,950,963 annually. This amount also is a minor increase in light of the total depreciation and interest expenses for the Holder.

The requested \$56,032,439 addition to the DoN's approved MCE is relatively modest when the scope and nature of the entire Project is considered. It is well within the Holder's financial capability. Moreover, it is consistent with the underlying premise of the DoN, which provided for shell space for future expansion and replacement of current hospital facilities when demand is sufficient and as the Holder can reasonably accommodate the capital expenditure.

**Attachment 10.5.d**

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



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

The proposed Significant Change involves the build-out of previously approved shell space in the Hospital's HOF. The build-out will accommodate a one-for-one replacement of the Hospital's existing electrophysiology and cardiac catheterization procedure rooms and one operating room, along with the necessary support spaces, including 15 treatment bays, staff areas, and electrical and elevator equipment. The consolidation of these services critical to the Hospital's heart and vascular services will allow the Hospital to achieve care efficiencies and better integration among the various components of this critical service. The following is a detailed review of the proposed areas of change in the approved DoN Project proposed by this amendment and the rationale for each.

A. Requested Changes to Approved GSF

The Holder requests authorization from the Department to change the approved GSF for the Project. The Holder will build out approved shell space in the HOF Building to accommodate the co-located replacement electrophysiology and cardiac catheterization procedure rooms, along with necessary support space, a relocated operating room, new waiting room, an additional elevator and switchgear. The following is a brief review of each of these Project components.

1. Replacement of cardiac catheterization procedure rooms. The Holder will build out 4,547 GSF of shell space and renovate 1,294 GSF of space on the second floor of the HOF to accommodate four (4) cardiac catheterization replacement rooms.
2. Replacement of electrophysiology procedure rooms. In addition, it will build out 710 GSF of shell space and renovate 2,042 GSF of existing space on the 2<sup>nd</sup> floor of the HOF to accommodate the two (2) replacement electrophysiology labs and necessary related space.
3. Relocation of One (1) Operating Room. This replacement operating room will be co-located with the other heart and vascular operating rooms and the relocated cardiac catheterization and electrophysiology service on the 2<sup>nd</sup> floor of the HOF and will involve the build-out of 672 GSF of shell space.
4. Pre- and Post-Procedure Patient Area. Also on the second floor of the HOF, 5,489 GSF of shell space will be built out and another 1,447 GSF of space renovated for the pre-and post-op care unit, which will accommodate up to 15 patients, supporting both the cardiac catheterization and electrophysiology services. It is being added to provide greater flexibility for those cases that may require emergency surgical intervention.
5. Support Areas. In addition, the Holder proposes to build out 4,411 GSF of shell space and renovate 143 GSF of space on the second floor of the HOF for the relocation and addition of storage and support spaces for its heart and vascular services on the 2<sup>nd</sup> floor of the HOF. In addition, a new waiting room and two (2) restrooms will build out 1,542 GSF of shell space on the second floor of the HOF to accommodate the additional procedures that will be performed on this floor.

6. Electrical, Elevator, and Related Mechanical Work. The build-out of the electrophysiology and cardiac catheterization procedure rooms on the HOF second floor will require the Holder to install appropriate mechanical equipment to support this space. The Holder proposes to build out 2,271 GSF of shell space in the HOF basement for an electrical substation with switchgear. Additional shell space on each floor of the HOF will be built out to accommodate the additional elevator and related mechanical and vertical circulation spaces.

The Plan Review Form 4a chart illustrating and identifying all affect spaces is attached as Exhibit B. Also attached as Exhibit C is a schematic drawing showing all floors of the HoF affected by this amendment. These schematic drawings indicated the areas affected by the Project, remaining shell space, and those areas currently fully built out and in use. Lastly, the following chart summarizes the GSF impact of all amendments, including the proposed GSF impact of this proposed Project.

Filing Type	Approval Date	Approved Gross Square Footage ("GSF")				
		Total GSF	New Const GSF (without shell)	Renovation GSF	Shell Space GSF	New Const GSF (with shell)
DoN #1-3B36	11/27/2007	641,250	303,300	42,150	295,800	599,100
Amendment	08/11/2009	630,504	303,300	44,900	282,304	585,604
Amendment	11/18/2009	686,086	303,300	44,900	337,886	641,186
Amendment	02/28/2011	692,276	381,857	48,974	261,445	643,302
Amendment	09/19/2012	692,276	461,973	48,974	181,329	643,302
Amendment	08/14/2014	692,276	475,616	48,974	167,686	643,302
Amendment	01/26/2017	698,634	486,749	55,332	156,553	643,302
Proposed	-	703,560	509,389	60,258	133,913	643,302

In summary, the Applicant is requesting approval to build out 22,640 GSF of shell space, along with an additional 4,926 GSF of renovation. The proposed changes, along with the cumulative changes to the approved DoN, are consistent with the objectives approved in the Holder's original DoN and continue to further the programmatic goals set forth in that DoN.

#### B. Changes to Approved MCE

The Holder seeks the Department's approval for an increase to the currently approved maximum capital expenditure ("MCE") for the Project. The currently approved MCE is \$373,520,390 (October 2016 dollars). In order to accommodate the requested changes to the scope of the Project, the Holder requests approval for a new MCE of \$429,552,829 (July 2018 dollars). This reflects the requested MCE for the Project of \$56,032,439. This cost solely relates to the build-out of shell space in the HOF and certain related renovations. As discussed in 10.5.b., the cost of construction on a per-GSF basis is \$1,024, which is higher than the typical cost per GSF for general hospital construction due to the fact that all of the construction is related to complex infrastructure or procedure rooms; however, this cost is more than reasonable for the build-out of shell space for this highly technical purpose.

The additional costs are necessary for the Holder to complete the changes to the scope of the Project described in this significant amendment request. The chart set forth in 10.5.b. details the currently requested costs for the Project by DoN capital cost category. All of these costs are

incremental costs to the currently approved DoN MCE and are necessary for the implementation of the Project described in this amendment.

### C. Rationale for Change

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

The over-riding objective for this Project is to better integrate the Hospital's heart and vascular services by collocating them. In addition, a primary driving force is the need to update and modernize those services so that they are consistent with current special and related requirements for such services as the current facilities have not been renovated in many years and most of its equipment is nearing or at the end of its projected useful lifespan. Lastly, the Hospital is experiencing a continued steady demand for its heart and vascular services.

#### 1. Need for Improved Facilities for Cardiac Cath and Electrophysiology Services.

The Holder identified the need to relocate its electrophysiology and cardiac catheterization procedure rooms to the HOF within areas of that building already dedicated to its heart and vascular services. This was a part of the long-term plan for its heart and vascular program. The co-location of these services to the area where the operating rooms designated for the heart and vascular service and the related inpatient beds are located will result in more efficient use of personnel in the heart and vascular service, in addition to being more convenient for patients and families.

The Hospital's two (2) existing electrophysiology procedure rooms are located on the 5th floor of the Hospital's Daly Building. These rooms are scheduled for replacement in approximately two (2) years. The electrophysiology equipment is now nearing the end of its useful life and will require replacement. In addition, the Holder identified that the existing suite where the electrophysiology rooms are located contain only two (2) prep/recovery bays, with limited support and storage spaces. This is no longer adequate for this service.

The Hospital's existing four (4) cardiac catheterization rooms also need replacement and modernization. These rooms are currently located on the 3rd floor of the Daly Building. The current co-location of these rooms with the neurology and interventional radiology service limits the options for this space to accommodate changes to address increased needs for cardiac catheterization services and improvements required to such services. By moving the cardiac catheterization service and co-locating it with other heart and vascular services, the service will have the ability to establish state-of-the-art procedure rooms and work more closely with the heart and vascular surgical service and electrophysiology lab.

The other key programmatic component of this Project is the relocation of one operating room from the current surgical service department on Daly 1<sup>st</sup> floor. Operating room #10 is only 316 GSF, and due to its size, it is not optimally utilized. It will be beneficial to have an additional

operating room located on the HOF's 2<sup>nd</sup> floor as it will provide the heart and vascular services with more immediate access to such specialized facilities. The current space occupied by Operating Room #10 will be converted to much needed storage for the existing surgical department.

2. Need to Meet Future Demand for Services. The heart and vascular service is a critical service of the Hospital based on its broad referral base and role as a tertiary hospital in Western Massachusetts. The electrophysiology and cardiac catheterization services are critical elements of the overall heart and vascular service. Most importantly, the Hospital continues to experience a continued and steady demand for such services.

The following chart illustrates the historical demand applicable to the key service components of this Project by reviewing the total number of procedures for the affected services.

		FY 2015	FY2016	FY2017	FY 2018*
Inpatient	H&V OR	2,146	2,121	2,255	1,856
	Cath Lab	2,129	2,171	2,218	2,184
	EP Lab	500	521	448	434
Outpatient	H&V OR	824	853	736	690
	Cath Lab	1,496	1,598	1,657	1,868
	EP Lab	775	849	745	768
Combined Inpatient & Outpatient	H&V OR	2,970	2,974	2,991	2,546
	Cath Lab	3,625	3,769	3,875	4,052
	EP Lab	1,275	1,370	1,233	1,202

- 6 months Annualized

As the data shows, demand for these services is relatively stable with certain areas of increasing demand. The cardiac catheterization lab has shown the strongest area of growth with a four-year growth that exceeds 10%. More detailed charts showing the historical volume and future year predictions for such volume are attached as Exhibit D; however, the Holder's overall four-year projected volume increase is set forth in 10.5.b. These estimates are relatively conservative when all factors are considered.

This continued strong demand is based on several facts in addition to its historic trends. Most material is that the Holder is the only tertiary service provider in Western Massachusetts. It also has a strong network of local affiliated hospitals and providers who refer to it for tertiary services such as those offered by its heart and vascular service. It is also located in Springfield, which is the largest city in Western Massachusetts situated at the nexus of two interstate highways, substantially increasing access to the Hospital's services from all parts of Western Massachusetts and some parts of Connecticut.

Cardiac and related vascular conditions are of significant concern in both the Holder's service area, as well as in the overall state and nationwide. As noted in the Massachusetts State Health Assessment, which was quoting facts from the Centers for Disease Control in 2017, nationally,

cardiovascular disease is the leading cause of death for both men and women, representing 600,000 deaths annually. This assessment further stated that “[i]n Massachusetts, cardiovascular disease is the second leading cause of death after cancer.” Page 250 found at:

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

The significant incidence of cardiac-related disease conditions only increases as the age of the population increases. The UMass Donahue Institute Population Projections for 2015 found that the population aged 65 and over in the state increased from about 14% to almost 16% in the first five-year period, and then increases even more in the second. It then projected that by 2035, the 65-and-over population will represent 23% of the state’s population. UMass Donahue Institute Population Projections 2015, p. 4.

These trends also support the continued need for the cardiac services that are the subject of this application to be replaced with state-of-the-art facilities and equipment. In evaluating possible options for replacement of the electrophysiology and cardiac catheterization rooms, the Holder determined the best alternative was to build out shell space on the HOF 2nd floor and relocate these rooms. By co-locating these rooms in one location with other heart and vascular services, the Holder will achieve service efficiencies in the delivery of care. In addition, it will be able to develop state-of-the-art facilities that will meet its needs for many years to come consistent with its long-term strategic plan.

## **Attachment/Exhibit**

**A**

**Attachment/Exhibit**

**1**

STAFF SUMMARY FOR DETERMINATION OF NEED  
BY THE PUBLIC HEALTH COUNCIL

November 14, 2007

APPLICANT: Baystate Medical Center, Inc.

PROGRAM ANALYST: Bernard Plovnick

LOCATION: 759 Chestnut Street  
Springfield, MA 01199

REGION: HSA 1

DATE OF APPLICATION: March 30, 2007

PROJECT NUMBER: 1 - 3B36

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

ESTIMATED MAXIMUM CAPITAL EXPENDITURE:

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

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

ESTIMATED FIRST YEAR OPERATING COSTS:

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

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

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

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

OTHER PENDING APPLICATIONS: None

COMPARABLE APPLICANTS: None

COMMENTS BY THE DIVISION OF MEDICAL ASSISTANCE: None submitted

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

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

RECOMMENDATION: Approval in part with conditions



## I. BACKGROUND AND PROJECT DESCRIPTION

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

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

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

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

## II. STAFF ANALYSIS

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

### A. Health Planning Process

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Population Trends

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

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

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

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

(b) Market Share

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

	FY 2002	FY 2003	FY 2004	FY 2005
Baystate Market Share	31.0%	31.8%	32.6%	33.4%

(c) Cardiovascular Services

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

(d) Actual Utilization Trends

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

(e) Bed Need Calculation

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

2. Staff Analysis of Bed Need

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

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

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

(a) Hospital Use Rates

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

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

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

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

(b) 2020 Service Area Population Projections

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

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

(c) Market Share

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

(d) Quantification of Bed Need

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### C. Operational Objectives

#### 1. Health Care Quality

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

#### 2. Operating Efficiency

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



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

### 3. Interpreter Services

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

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

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

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

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

### D. Compliance Standards

Baystate has submitted schematic drawings.

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

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

## E. Reasonableness of Expenditures and Cost

## 1. Spatial Analysis

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

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

	<u>Proposed and Recommended GSF</u>
<b>New Construction</b>	
<u>Patient and Ancillary Areas</u>	
ICU Bed Units, 30 beds	22,400
Heart & Vascular Pre-op and PACU	5,450
Heart & Vascular Procedure (8 rooms)	17,100
Heart & Vascular Procedure - Support	9,950
Heart & Vascular Surgery	9,950
Med/Surg - 96 beds	60,600
Central Sterile Processing	12,500
Materials Management	10,150
Ambulance Bays	4,000
Loading Docks	1,500
<u>Mechanical and Circulation</u>	
Circulation Space, Corridors, Stairs, Walkways	62,150
Exterior Walls	10,150
Mechanical Space	48,250
Shared Public - Lobbies/Waiting/Toilets	8,350
Staff Support	20,600
<u>Other</u>	
Shell Space	295,800
<b>Total New Construction</b>	<b>599,100</b>
<b>Renovation</b>	
<u>Patient and Ancillary Areas</u>	
ICU Bed Units, 32 beds	18,200
M/S Step-down Unit, 9 Beds	5,500
Sterile Processing Department	3,200
Minor Backfill Renovation	13,500
<u>Mechanical and Circulation</u>	
Connector to New Construction/Corridor	1,750
<b>Total Renovation</b>	<b>42,150</b>

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

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

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

### 1. Maximum Capital Expenditure

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

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

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

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

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

### 2. Incremental Operating Costs

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

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

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

#### 4. Financial Feasibility and Capability

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

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

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

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

#### G. Relative Merit

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

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

#### No change to Existing Hospital Capacity and Structure

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

#### Relocation of Services

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

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

#### Renovation of Space

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

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

#### H. Community Health Initiatives

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

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

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

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

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

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

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

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

### III. COMMENTS BY TEN TAXPAYER GROUPS

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

#### A. New North Citizens Council Ten Taxpayer Group

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

#### B. Sisters of Providence Health System Ten Taxpayer Group

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

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

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

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

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

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

#### IV. STAFF FINDINGS

Based upon the above analysis, Staff finds the following:

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



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

#### V. STAFF RECOMMENDATION

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

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

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

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

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

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

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

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

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

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

**Attachment/Exhibit**

**2**



# The Commonwealth of Massachusetts

Executive Office of Health and Human Services

Department of Public Health

Determination of Need Program

2 Boylston Street, Boston, MA 02116

(617) 753-7340

FAX (617) 753-7349

DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD  
SECRETARY

JOHN AUERBACH  
COMMISSIONER

November 27, 2007

CERTIFIED MAIL

RETURNED RECEIPT REQUESTED

NOTICE OF DETERMINATION OF NEED

RE: Project No. 1-3B36

Baystate Medical Center, Inc.

(New construction and addition of 48 beds)

Andrew S. Levine

Attorney

Donoghue, Barrett & Singal, P.C.

One Beacon Street, Suite 1320

Boston, MA 02108

Dear Mr. Levine:

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

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

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

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

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

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

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

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

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

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

The reasons for this approval with conditions are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

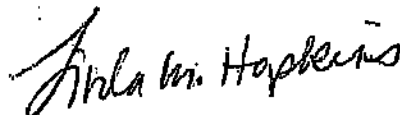
- (c) The Baystate Health North End Community Center Project (\$3,950,000): Springfield's North End neighborhood includes the poorest census tract in Massachusetts. To address the health and education needs of the children, youth and seniors who reside in this area, \$564,286 a year, over a seven (7)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

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

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

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

FOR THE PUBLIC HEALTH COUNCIL,



Linda M. Hopkins  
Secretary to the Council

LMH: bp

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

**Attachment/Exhibit**

**3**



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

DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

JUDYANN BIGBY, MD  
SECRETARY

JOHN AUERBACH  
COMMISSIONER

August 11, 2009

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

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

Dear Mr. Levine:

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

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

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

The Applicant requests an increase in the GSF of the approved renovation space from 42,150 GSF to 44,800 GSF. This 6.5% increase in the total GSF of renovations is necessary to accommodate changes related to the optimal connection between the existing hospital and the

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

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

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

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

Sincerely,



Joan Gorga  
Director  
Determination of Need Program

JMG/jmg

cc: Sherman Lohnes, DHCQ  
Public File  
Compliance File  
MIS



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

**DEVAL L. PATRICK**  
GOVERNOR

**TIMOTHY P. MURRAY**  
LEUTENANT GOVERNOR

**JUDYANN BIGBY, MD**  
SECRETARY

**JOHN AUERBACH**  
COMMISSIONER

November 18, 2009

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

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

Dear Mr. Levine:

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

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

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

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

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

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

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

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

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

Sincerely,



Joan Garga  
Director  
Determination of Need Program

JMG/jmg

cc: Sherman Lohnes, DHCC  
Public File  
Compliance File  
MIS



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

DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

JUDYANN BIGSBY, MD  
SECRETARY

JOHN AUERBACH  
COMMISSIONER

February 28, 2011

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

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

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

Dear Mr. Levine:

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

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



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

The conditions accompanying this approval are as follows:

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

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

FOR THE PUBLIC HEALTH COUNCIL

*Linda M. Hopkins*

Linda M. Hopkins  
Secretary to the Council

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



DEVAL L. PATRICK  
GOVERNOR  
TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR  
JUDYANN BIGBY, MD  
SECRETARY  
JOHN AUERBACH  
COMMISSIONER

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

September 19, 2012

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

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

Dear Mr. Levine:

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

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

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

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

The conditions accompanying this approval are as follows:

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

Sincerely,



Bernard Plovnick, Director  
Determination of Need Program

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



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

DEVAL L. PATRICK  
GOVERNOR

JOHN W. POLANOWICZ  
SECRETARY

CHERYL BARTLETT, RN  
COMMISSIONER

Tel: 617-624-5690  
[www.mass.gov/dph/don](http://www.mass.gov/dph/don)

August 14, 2014

VIA EMAIL

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

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

Dear Mr. Levine:

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

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

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

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

The conditions accompanying this approval are as follows:

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

Sincerely,



Bernard Plovnick, Director  
Determination of Need Program

/bp

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



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

CHARLES D. BAKER  
Governor

KARYN E. POLITO  
Lieutenant Governor

MARYLOU SUDDERS  
Secretary

MONICA BHAREL, MD, MPH  
Commissioner

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

January 26, 2017

VIA EMAIL: nedwards@dbslawfirm.com

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

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

Dear Ms. Edwards:

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

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

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

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

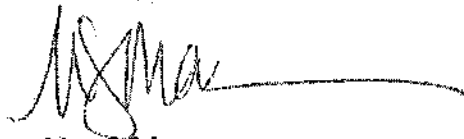
The conditions of approval are as follows:

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

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

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

Sincerely,



Nora J. Mann  
Director, Determination of Need Program

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



**Attachment/Exhibit**

**B**

759 Chestnut Street, Springfield MA, 01199

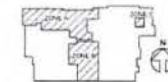
[illegible]

**Attachment/Exhibit**

**C**



DON AREAS - PROPOSED - L2	
Name	Area
CARE SUITE	6036 SF
CATH	5841 SF
ELEVATOR LOBBY	220 SF
EP	2752 SF
Existing Owned - TO REMAIN	25494 SF
Existing Shell - TO REMAIN	5,3496 SF
MECHANICAL	207 SF
OH	872 SF
SUPPORT	4054 SF
VERTICAL CIRCULATION	220 SF
WAITING	1542 SF
Sub Total	111832 SF

BAYSTATE HEALTH  
HOF HIV OR EXPANSION STUDY

Project Number	Scale
02747.000	

DATE  
**01/23/18**  
ISSUE

**DON AREA PLANS**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

---

---

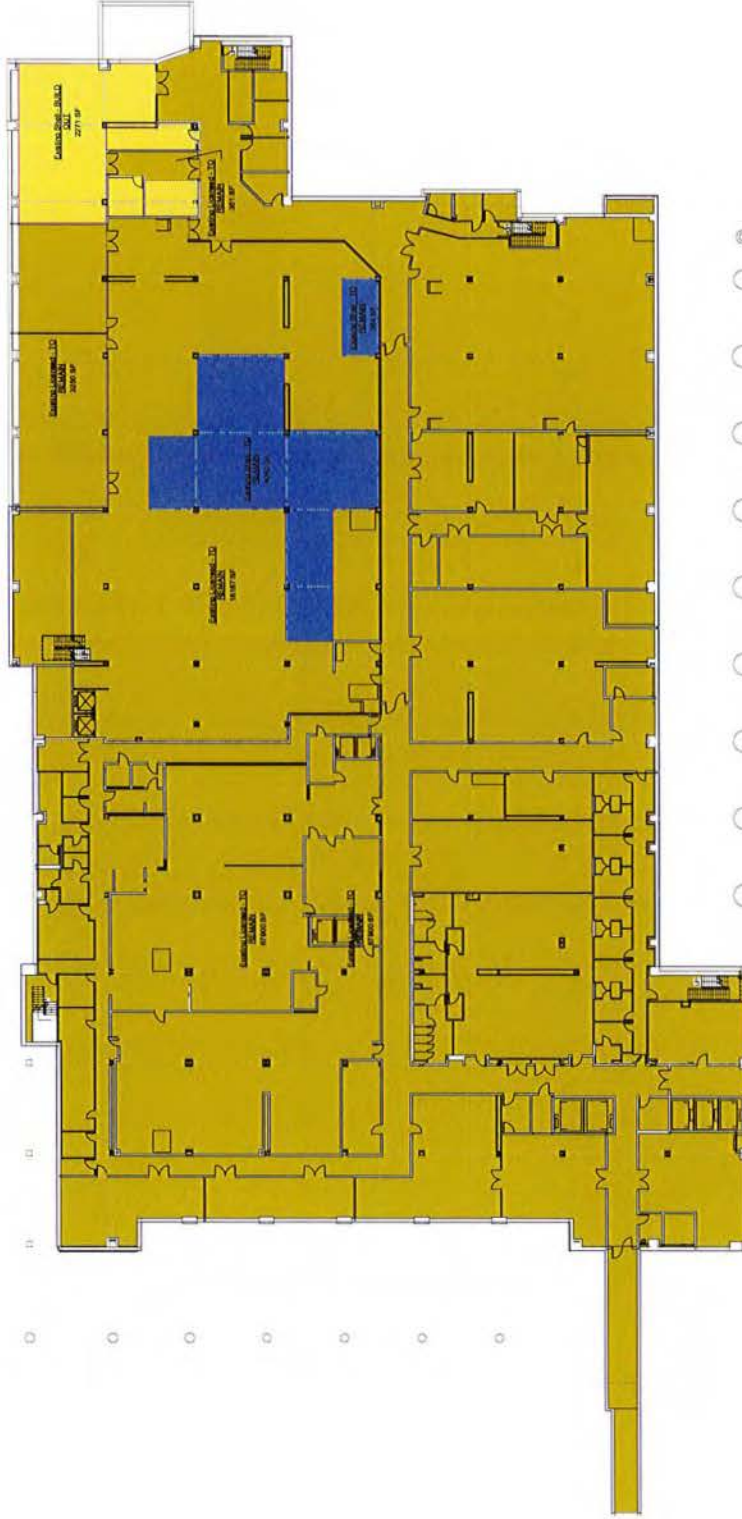
Title  
Area Plan - DON - Level 2 -

Proposed

DON 102

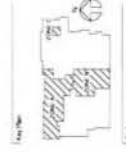
**DON-102-**  
Student: 1131003001-24-10-2004

7-800-275-2275



- DON EXISTING AREAS**
- Existing Licensed - TO REMAIN
  - Existing Shell - BUILD OUT
  - Existing Shell - TO REMAIN

Room	Area
EXISTING LICENSED - TO REMAIN	10,000 SF
EXISTING SHELL - BUILD OUT	1,000 SF
EXISTING SHELL - TO REMAIN	1,000 SF
<b>TOTAL</b>	<b>12,000 SF</b>



BAYSTATE HEALTH  
HOP MAY OR EXPANSION STUDY

Project Name	0717118
Client	BAYSTATE HEALTH
Phase	PHASE 1
Scale	1/8" = 1'-0"

Area Plan - DON - Basement -  
Existing





1

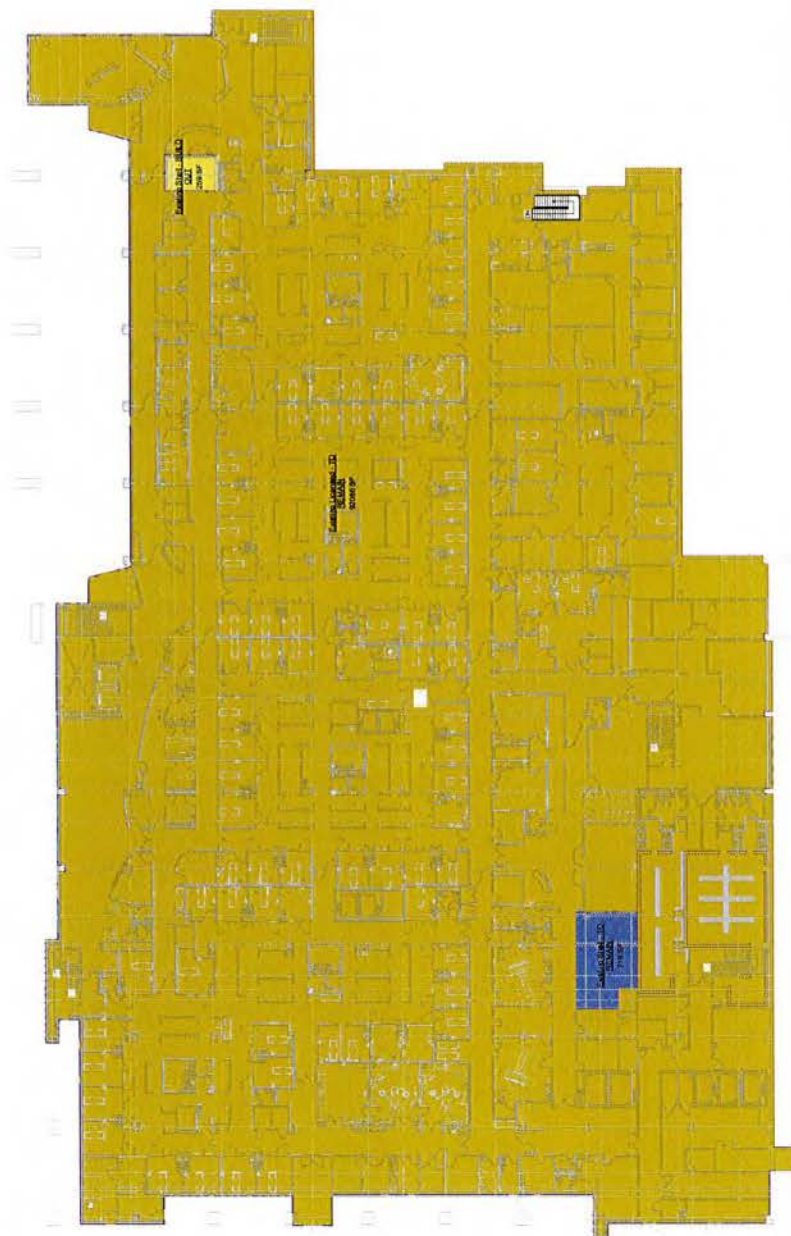
(DATE AND TIME OF THE TEST)	
Name	Age
walking standard TO RE MAIN	02/2002 SF
walking Speed BURD OUT	29/09 SF
walking Speed TO RE MAIN	7/16 SF

BAYSTATE HEALTH  
HOF MAY OR EXPANSION STUDY

Prepared Number: 02747396  
(A 7)  
07/17/18  
RECEIVED  
DON AREA PLANS  
Scale: 1/8"=1'-0"  
Title: 1800

Area Plan - DON - Level 1 - Existing

Printed: 01/17/2018 11:34:37 AM



ON EXISTING AREAS

- Existing Licensed - TO REMAIN  
Existing Shell - BUILD OUT  
Existing Shell - TO REMAIN

Area Plan - DON - Level 1 - Existing

Printed: 01/17/2018 11:34:37 AM

Room	Area
Existing Licensed - RENO	48,025 SF
Existing Licensed - TO REMAIN	38,053 SF
Existing Shell - BUILD OUT	17,607 SF
Existing Shell - TO REMAIN	11,526 SF

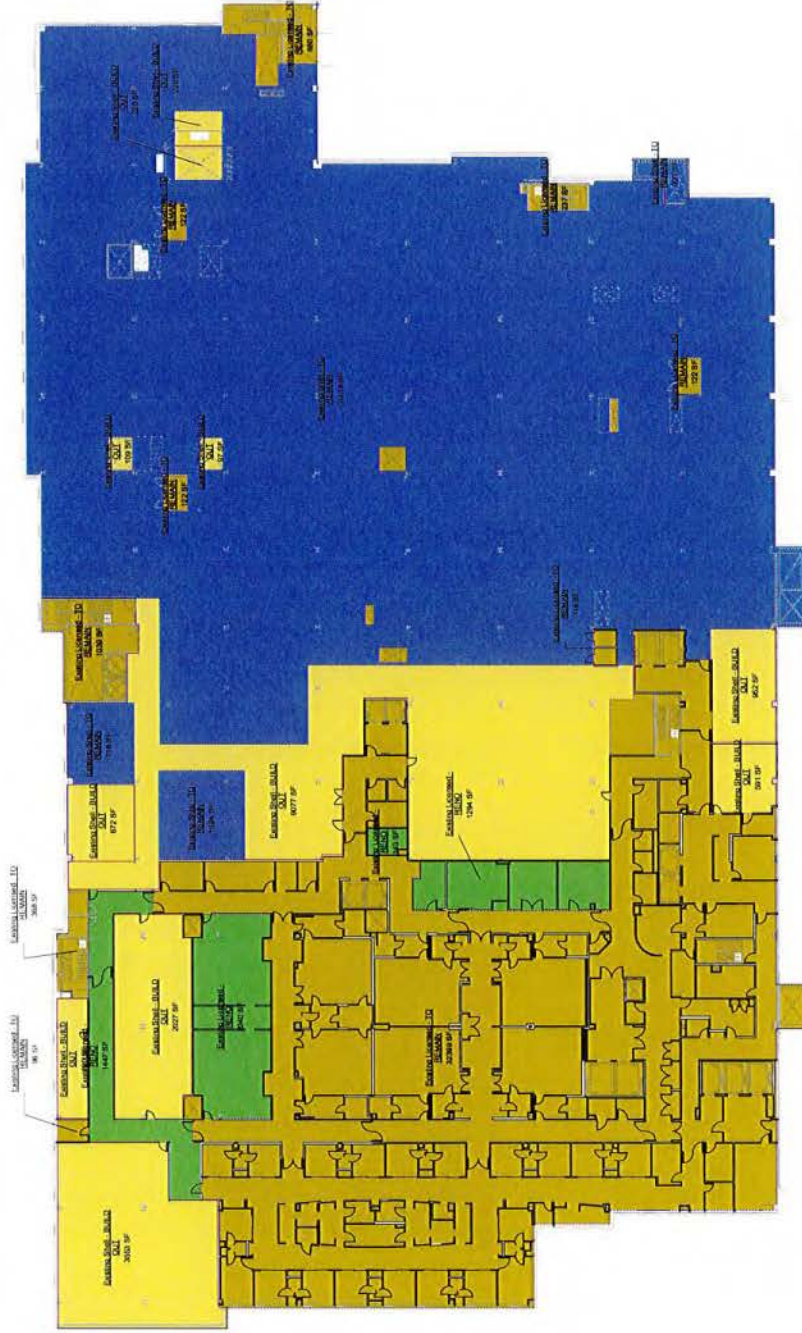


BAYSTATE HEALTH  
HSP HAV ON EXPANSION STUDY

Project Name	Scale
07/17/18	
07/17/18	
07/17/18	
07/17/18	
07/17/18	
07/17/18	
07/17/18	
07/17/18	
07/17/18	

Area Plan - DON - Level 2 -  
Existing

**DON-102-E**  
Printed: 8/14/2018 11:34:58 AM



- DON EXISTING AREAS**
- Existing Licensed - RENO
  - Existing Licensed - TO REMAIN
  - Existing Shell - BUILD OUT
  - Existing Shell - TO REMAIN

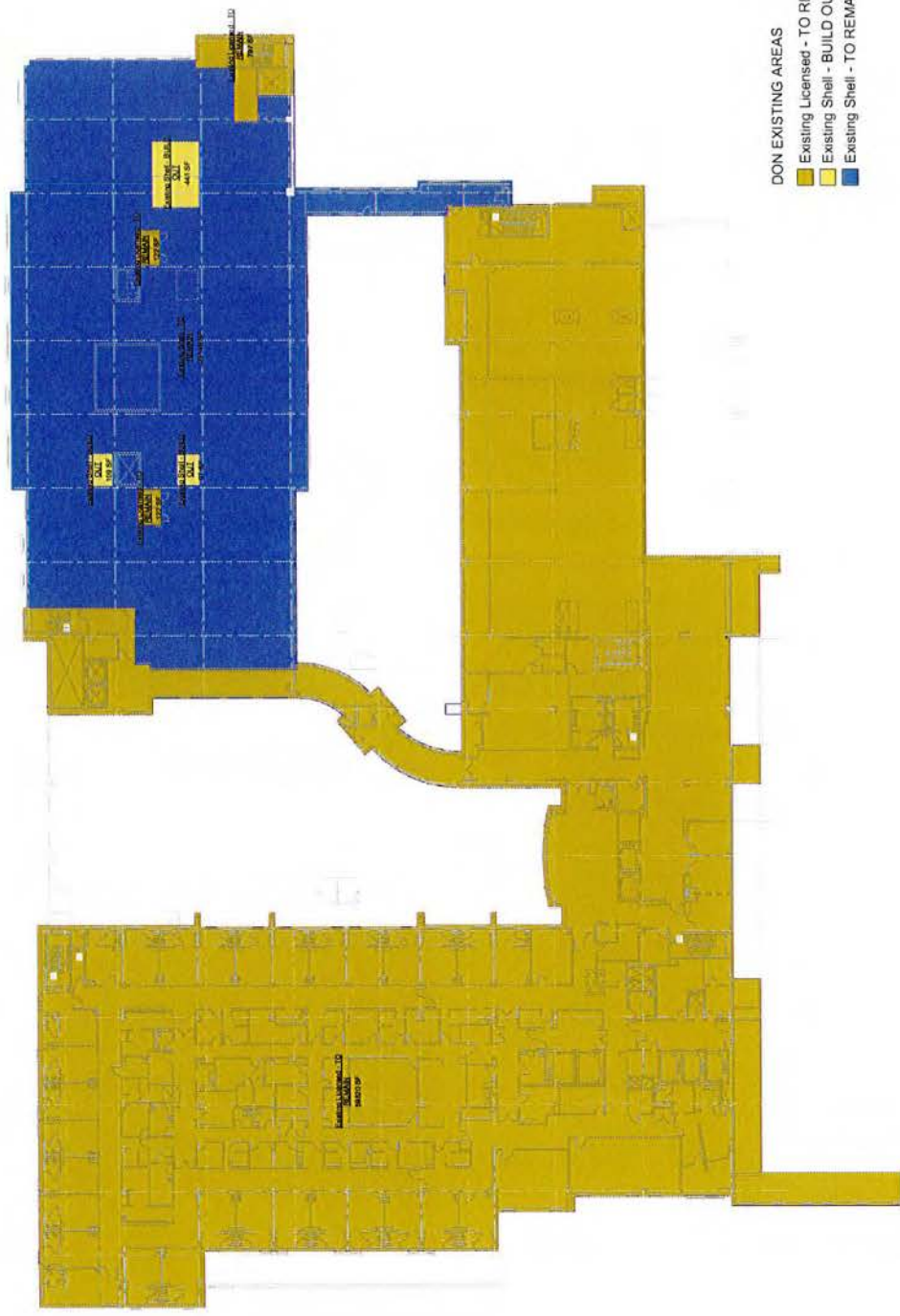
Room	Area
Room 101	101.00 SF
Room 102	102.00 SF
Room 103	103.00 SF
Room 104	104.00 SF
Room 105	105.00 SF
Room 106	106.00 SF
Room 107	107.00 SF
Room 108	108.00 SF
Room 109	109.00 SF
Room 110	110.00 SF
Room 111	111.00 SF
Room 112	112.00 SF
Room 113	113.00 SF
Room 114	114.00 SF
Room 115	115.00 SF
Room 116	116.00 SF
Room 117	117.00 SF
Room 118	118.00 SF
Room 119	119.00 SF
Room 120	120.00 SF
Room 121	121.00 SF
Room 122	122.00 SF
Room 123	123.00 SF
Room 124	124.00 SF
Room 125	125.00 SF
Room 126	126.00 SF
Room 127	127.00 SF
Room 128	128.00 SF
Room 129	129.00 SF
Room 130	130.00 SF
Room 131	131.00 SF
Room 132	132.00 SF
Room 133	133.00 SF
Room 134	134.00 SF
Room 135	135.00 SF
Room 136	136.00 SF
Room 137	137.00 SF
Room 138	138.00 SF
Room 139	139.00 SF
Room 140	140.00 SF
Room 141	141.00 SF
Room 142	142.00 SF
Room 143	143.00 SF
Room 144	144.00 SF
Room 145	145.00 SF
Room 146	146.00 SF
Room 147	147.00 SF
Room 148	148.00 SF
Room 149	149.00 SF
Room 150	150.00 SF
Room 151	151.00 SF
Room 152	152.00 SF
Room 153	153.00 SF
Room 154	154.00 SF
Room 155	155.00 SF
Room 156	156.00 SF
Room 157	157.00 SF
Room 158	158.00 SF
Room 159	159.00 SF
Room 160	160.00 SF
Room 161	161.00 SF
Room 162	162.00 SF
Room 163	163.00 SF
Room 164	164.00 SF
Room 165	165.00 SF
Room 166	166.00 SF
Room 167	167.00 SF
Room 168	168.00 SF
Room 169	169.00 SF
Room 170	170.00 SF
Room 171	171.00 SF
Room 172	172.00 SF
Room 173	173.00 SF
Room 174	174.00 SF
Room 175	175.00 SF
Room 176	176.00 SF
Room 177	177.00 SF
Room 178	178.00 SF
Room 179	179.00 SF
Room 180	180.00 SF
Room 181	181.00 SF
Room 182	182.00 SF
Room 183	183.00 SF
Room 184	184.00 SF
Room 185	185.00 SF
Room 186	186.00 SF
Room 187	187.00 SF
Room 188	188.00 SF
Room 189	189.00 SF
Room 190	190.00 SF
Room 191	191.00 SF
Room 192	192.00 SF
Room 193	193.00 SF
Room 194	194.00 SF
Room 195	195.00 SF
Room 196	196.00 SF
Room 197	197.00 SF
Room 198	198.00 SF
Room 199	199.00 SF
Room 200	200.00 SF
Room 201	201.00 SF
Room 202	202.00 SF
Room 203	203.00 SF
Room 204	204.00 SF
Room 205	205.00 SF
Room 206	206.00 SF
Room 207	207.00 SF
Room 208	208.00 SF
Room 209	209.00 SF
Room 210	210.00 SF
Room 211	211.00 SF
Room 212	212.00 SF
Room 213	213.00 SF
Room 214	214.00 SF
Room 215	215.00 SF
Room 216	216.00 SF
Room 217	217.00 SF
Room 218	218.00 SF
Room 219	219.00 SF
Room 220	220.00 SF
Room 221	221.00 SF
Room 222	222.00 SF
Room 223	223.00 SF
Room 224	224.00 SF
Room 225	225.00 SF
Room 226	226.00 SF
Room 227	227.00 SF
Room 228	228.00 SF
Room 229	229.00 SF
Room 230	230.00 SF
Room 231	231.00 SF
Room 232	232.00 SF
Room 233	233.00 SF
Room 234	234.00 SF
Room 235	235.00 SF
Room 236	236.00 SF
Room 237	237.00 SF
Room 238	238.00 SF
Room 239	239.00 SF
Room 240	240.00 SF
Room 241	241.00 SF
Room 242	242.00 SF
Room 243	243.00 SF
Room 244	244.00 SF
Room 245	245.00 SF
Room 246	246.00 SF
Room 247	247.00 SF
Room 248	248.00 SF
Room 249	249.00 SF
Room 250	250.00 SF
Room 251	251.00 SF
Room 252	252.00 SF
Room 253	253.00 SF
Room 254	254.00 SF
Room 255	255.00 SF
Room 256	256.00 SF
Room 257	257.00 SF
Room 258	258.00 SF
Room 259	259.00 SF
Room 260	260.00 SF
Room 261	261.00 SF
Room 262	262.00 SF
Room 263	263.00 SF
Room 264	264.00 SF
Room 265	265.00 SF
Room 266	266.00 SF
Room 267	267.00 SF
Room 268	268.00 SF
Room 269	269.00 SF
Room 270	270.00 SF
Room 271	271.00 SF
Room 272	272.00 SF
Room 273	273.00 SF
Room 274	274.00 SF
Room 275	275.00 SF
Room 276	276.00 SF
Room 277	277.00 SF
Room 278	278.00 SF
Room 279	279.00 SF
Room 280	280.00 SF
Room 281	281.00 SF
Room 282	282.00 SF
Room 283	283.00 SF
Room 284	284.00 SF
Room 285	285.00 SF
Room 286	286.00 SF
Room 287	287.00 SF
Room 288	288.00 SF
Room 289	289.00 SF
Room 290	290.00 SF
Room 291	291.00 SF
Room 292	292.00 SF
Room 293	293.00 SF
Room 294	294.00 SF
Room 295	295.00 SF
Room 296	296.00 SF
Room 297	297.00 SF
Room 298	298.00 SF
Room 299	299.00 SF
Room 300	300.00 SF



BAYSTATE HEALTH  
HOF HAY OR EXPANSION STUDY

Project Name	Baystate Health
Project Number	0717115
Project Date	07/17/15
Project Location	Boston, MA
Project Architect	SHA ARCHITECTS
Project Engineer	Donna P. Pappas
Project Designer	Donna P. Pappas
Project Drafter	Donna P. Pappas
Project Checker	Donna P. Pappas
Project Approver	Donna P. Pappas
Project Status	Existing
Project Notes	Area Plan - DON - Level 3 - Existing

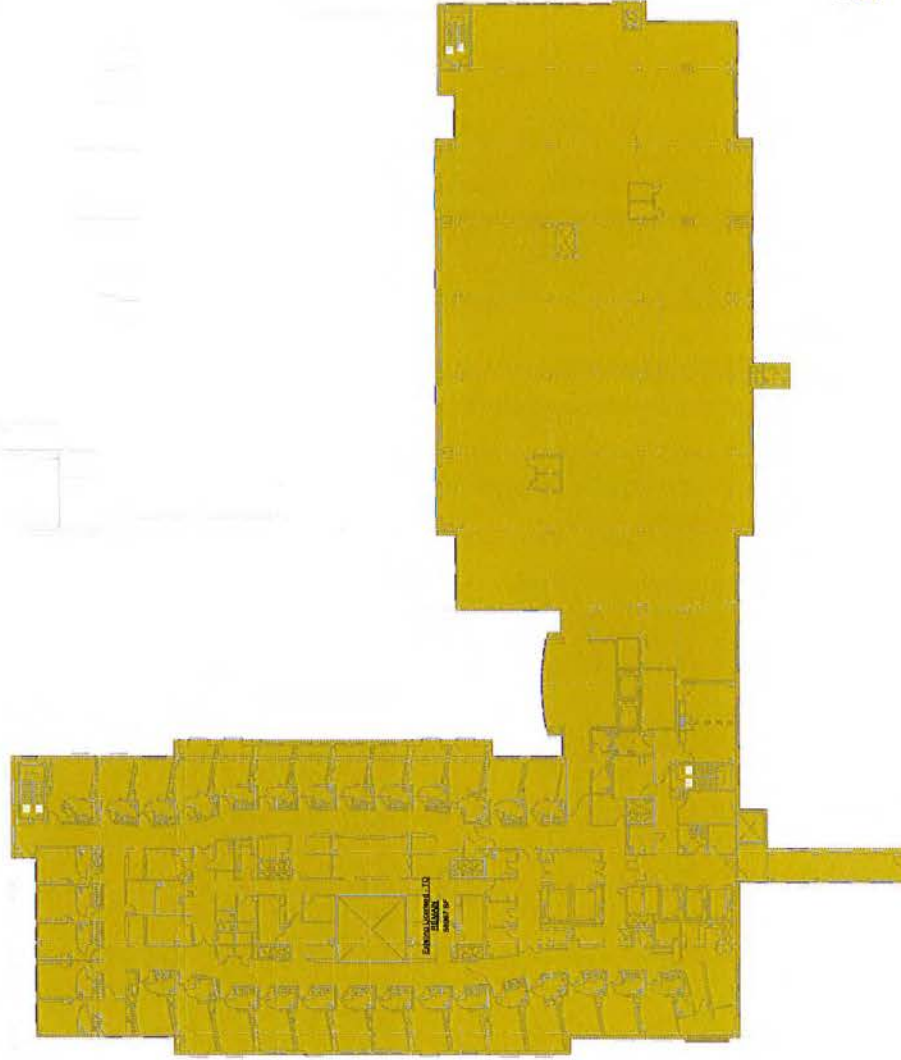
**DON-103-E**  
Printed: 07/20/16 11:34:41 AM



- DON EXISTING AREAS**
- Existing Licensed - TO REMAIN
  - Existing Shell - BUILD OUT
  - Existing Shell - TO REMAIN



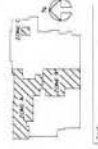




DON EXISTING AREAS  
■ Existing Licensed - TO REMAIN

DON AREAS - EXISTING - L5		
Area	Area	Area
EXISTING	EXISTING	EXISTING
EXISTING	EXISTING	EXISTING

Scale



BAYSTATE HEALTH  
HOP INM ON EXPANSION STUDY

Project Name: DON AREAS PLANS  
Date: 07/17/18  
Scale: 1/8" = 1'-0"

Area Plan - DON - Level 5 - Existing

**DON-105-E**  
Printed: 7/17/2018 11:35:01 AM

**Attachment/Exhibit**

**D**

Historic Volume Summary  
Cases in Procedure rooms

Historic Volume Summary

Projected - Procedures

	FY15		FY16		FY17		FY18 (6 months)		FY18 (Annualized)		FY19 - higher of projected FY18 or FY17	5 year Growth Est.	Annual % Growth	FY20	FY21	FY22	FY23					
	Enc.	Cases in Room	Enc.	Cases in Room	Enc.	Cases in Room	Enc.	Cases in Room	Enc.	Cases in Room	Enc.	Cases in Room	from FY17	from FY17	Enc.	Cases in Room	Enc.	Cases in Room	Enc.	Cases in Room	Enc.	Cases in Room
Inpatient																						
H&V Operating Room																						
Cardiac Surgery Cases:																						
with Card Cath		294	322	261	294	330	378	141	161	322	378	0.0%	0.0%	378	378	378	378	378	378	378	378	
with EP		42	43	49	55	35	43	15	16	32	43	0.0%	0.0%	43	43	43	43	43	43	43	43	
Other Cardiac Surgery SL	309	305	334	321	287	269	132	132	264	269	0.0%	0.0%	269	269	269	269	269	269	269	269	269	
Cases in other H&V DRGs		39		32		21		5	10	21	0.0%	0.0%	21	21	21	21	21	21	21	21	21	
Cases in Non- H&V DRGs			24	49	71	37	59	19	36	72	59	0.0%	0.0%	59	59	59	59	59	59	59	59	
Total Cardiac Surgery Cases		645	733	693	773	689	770	307	350	700	770			770	770	770	770	770	770	770	770	
TAVR/Specialty		42	46	102	128	173	197	80	81	162	180	25.0%	5.0%	189	198	208	218	208	218	218	218	
Vascular Surgery Cases:																						
Vascular Surgery SL		532	627	508	594	527	619	213	239	478	619	0.0%	0.0%	619	619	619	619	619	619	619	619	
EndoVascular SL		122	132	80	80	101	104	42	43	86	104	10.0%	2.0%	106	108	110	112	110	112	112	112	
Cases in other H&V DRGs			31		25		39		14	28	39	0.0%	0.0%	39	39	39	39	39	39	39	39	
Cases in Non- H&V DRGs - Mostly																						
Trauma and Ortho Trauma			338		293		333		124	248	333	0.0%	0.0%	333	333	333	333	333	333	333	333	
Total Vascular Surgery Cases	654	1128	588	992	628	1095	255	420	840	1095				1097	1099	1101	1103	1101	1103	1103	1103	
Peripheral Interventions - Cases overlap with other DRGs - mostly Vascular Surgery																						
		239		228		193		77	154	193	10.0%	2.0%	197	201	205	209	205	209	209	209	209	
Total H&V OR	1341	2146	1383	2121	1490	2255	642	928	1856	2255				2253	2268	2284	2300	2284	2300	2300	2300	
Cath Lab																						
Diagnostic Caths	322	388	394	400	354	362	206	207	414	414	0.0%	0.0%	414	414	414	414	414	414	414	414	414	
Cardiac Interventions	859	920	844	897	832	883	407	424	848	883	0.0%	0.0%	883	883	883	883	883	883	883	883	883	
Peripheral Interventions	15	15	51	60	63	71	32	42	84	71	10.0%	2.0%	72	73	74	75	74	75	75	75	75	
Cases in other H&V DRGs		404		433		421		201	402	421	0.0%	0.0%	421	421	421	421	421	421	421	421	421	
Cases in Non- H&V DRGs		80		87		103		57	114	103	0.0%	0.0%	103	103	103	103	103	103	103	103	103	
Total Cath Lab	1196	1807	1289	1877	1249	1840	645	931	1862	1840				1893	1894	1895	1896	1895	1896	1896	1896	
Including IP Caths with Surgery		2,129		2,171		2,218		1,092	2,184						2,271	2,272	2,273	2,274	2,273	2,274	2,274	
EP Lab																						
Ablations	52	54	48	49	54	56	17	17	34	56	10.0%	2.0%	57	58	59	60	59	60	60	60	60	
Pacemaker	171	197	190	209	184	202	78	89	178	202	0.0%	0.0%	202	202	202	202	202	202	202	202	202	
ICD	91	108	92	106	89	103	43	46	92	103	0.0%	0.0%	103	103	103	103	103	103	103	103	103	
Cases in other H&V DRGs		49		64		45		28	56	45	0.0%	0.0%	45	45	45	45	45	45	45	45	45	
Cases in Non- H&V DRGs			49	38		39		21	42	39	0.0%	0.0%	39	39	39	39	39	39	39	39	39	
Total EP	314	457	330	466	327	445	138	201	402	445				446	447	448	449	448	449	449	449	
Including IP EP with Surgery		500		521		488		217	434						489	490	491	492	491	492	492	



Historic Volume Summary  
Cases in Procedure rooms

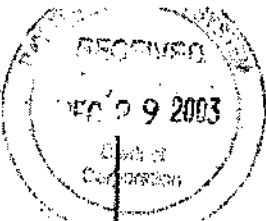
Historic Volume Summary

Projected - Procedures

	FY15		FY16		FY17		FY18 (6 months)		FY18 (Annualized)	FY19 - higher of projected FY18 or FY17			5 year Growth Est.	Annual % Growth	FY20		FY21		FY22		FY23	
	Cases in Room		Cases in Room		Cases in Room		Cases in Room		Cases in Room	Cases in Room		Enc.	from FY17	from FY17	Cases in Room		Cases in Room		Cases in Room		Cases in Room	
	Enc.		Enc.		Enc.		Enc.		Enc.	Enc.					Enc.		Enc.		Enc.		Enc.	
Outpatient																						
H&V Operating Room																						
Cardiac	11	11	7	7	7	7	5	5	10	7			0.0%	0.0%	7		7		7		7	
Vascular	350	350	324	324	259	259	168	168	336	336			10.0%	2.0%	343		350		357		364	
Peripheral Interventions	463	463	522	522	470	470	172	172	344	470			10.0%	2.0%	479		489		499		509	
<b>Total H&amp;V OR</b>	<b>824</b>	<b>824</b>	<b>853</b>	<b>853</b>	<b>736</b>	<b>736</b>	<b>345</b>	<b>345</b>	<b>690</b>	<b>813</b>					<b>829</b>		<b>846</b>		<b>863</b>		<b>880</b>	
Cath Lab																						
Diagnostic Caths	510	510	522	522	552	552	249	249	498	498			0.0%	0.0%	498		498		498		498	
Cardiac Interventions	857	857	1,022	1,022	1,024	1,024	638	638	1,276	1,276			0.0%	0.0%	1276		1276		1276		1276	
Peripheral Interventions	129	129	54	54	81	81	47	47	94	94			0.0%	0.0%	94		94		94		94	
<b>Total Cath Lab</b>	<b>1,496</b>	<b>1,496</b>	<b>1,598</b>	<b>1,598</b>	<b>1,657</b>	<b>1,657</b>	<b>934</b>	<b>934</b>	<b>1,868</b>	<b>1,868</b>					<b>1,868</b>		<b>1,868</b>		<b>1,868</b>		<b>1,868</b>	
EP Lab																						
Ablations	215	215	258	258	236	236	147	147	294	294			20.0%	4.0%	306		318		331		344	
Pacemaker	109	109	109	109	107	107	42	42	84	107			0.0%	0.0%	107		107		107		107	
ICD	188	188	212	212	162	162	81	81	162	188			5.0%	1.0%	164		166		168		170	
Tilt Table	103	103	104	104	112	112	45	45	90	112			0.0%	0.0%	112		112		112		112	
Other Procedures	160	160	166	166	128	128	69	69	138	138			0.0%	0.0%	138		138		138		138	
<b>Total EP</b>	<b>775</b>	<b>775</b>	<b>849</b>	<b>849</b>	<b>745</b>	<b>745</b>	<b>384</b>	<b>384</b>	<b>768</b>	<b>745</b>					<b>827</b>		<b>841</b>		<b>856</b>		<b>871</b>	
Combined IP + OP																						
H&V OR																						
Cardiac Surgery	656	744	700	780	696	777	312	355	710	777			0.0%		777		777		777		777	
Vascular Surgery	882	1,346	832	1,236	786	1,250	381	545	1,090	1,327			8.4%		1,334		1,341		1,348		1,355	
TAVR/Specialty	42	46	102	128	173	197	80	81	162	180			10.7%		189		198		208		218	
Endovascular/Peripheral/Other	585	834	602	830	571	767	214	292	584	767			8.2%		782		798		814		830	
	<b>2,165</b>	<b>2,970</b>	<b>2,236</b>	<b>2,974</b>	<b>2,226</b>	<b>2,991</b>	<b>987</b>	<b>1,273</b>	<b>2,546</b>	<b>3,051</b>			6.3%		<b>3,082</b>		<b>3,114</b>		<b>3,147</b>		<b>3,180</b>	
Cath Lab																						
Diagnostics	1,126	1,220	1,177	1,216	1,236	1,292	596	617	1,234	1,290			-0.2%		1,290		1,290		1,290		1,290	
Interventions	1,716	1,777	1,866	1,919	1,856	1,907	1,045	1,062	2,124	2,159			13.2%		2,159		2,159		2,159		2,159	
Endovascular/Peripheral/Other	144	628	105	634	144	676	79	347	694	689			2.5%		690		691		692		693	
	<b>2,986</b>	<b>3,625</b>	<b>3,148</b>	<b>3,769</b>	<b>3,236</b>	<b>3,875</b>	<b>1,720</b>	<b>2,026</b>	<b>4,052</b>	<b>4,138</b>			6.9%		<b>4,139</b>		<b>4,140</b>		<b>4,141</b>		<b>4,142</b>	
EP Lab																						
Ablations	267	269	306	307	290	292	164	164	328	350			38.4%		363		376		390		404	
Pacemaker	280	306	299	318	291	309	120	131	262	309			0.0%		309		309		309		309	
ICD	279	296	304	318	251	265	124	127	254	291			3.0%		267		269		271		273	
Other	305	404	319	427	275	367	129	179	358	377			2.7%		377		377		377		377	
	<b>1,131</b>	<b>1,275</b>	<b>1,228</b>	<b>1,370</b>	<b>1,107</b>	<b>1,233</b>	<b>537</b>	<b>601</b>	<b>1,202</b>	<b>1,327</b>			10.5%		<b>1,316</b>		<b>1,331</b>		<b>1,347</b>		<b>1,363</b>	

**Attachment/Exhibit**

**E**



FEDERAL IDENTIFICATION  
NO. 04-2105941

# The Commonwealth of Massachusetts

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

## RESTATED ARTICLES OF ORGANIZATION (General Laws, Chapter 180, Section 7)

Examiner

Name  
Approved

We, Mark R. Tolosky, "President/Vice President,"

and Helen F. Terrill, "Clerk/Assistant Clerk,"

of Baystate Health System, Inc.

*(Exact name of corporation)*

located at 759 Chestnut Street, Springfield, Massachusetts 01199

*(Street address of corporation in Massachusetts)*

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

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

15 [fifteen] members, \_\_\_\_\_ directors, or \_\_\_\_\_ shareholders,

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

### ARTICLE I

The name of the corporation is:

Baystate Health System, Inc.

### ARTICLE II

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

See Attachment A made a part hereof.

C ☐  
P ☐  
M ☐  
RA ☐

*\*Delete the inapplicable words.*

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

P.C.

### **ARTICLE III**

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

The corporation shall not have any members.

### **ARTICLE IV**

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

See Attachment B made a part hereof.

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

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



#### ARTICLE V

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

January 1, 2004

#### ARTICLE VI

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

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

759 Chestnut Street, Springfield, Massachusetts 01199

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

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

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

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

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

None.

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

  
Mark R. Tolosky

\*President / \*\*Vice President

  
Helen F. Terrill

\*Clerk / \*\*Assistant Clerk

\*Delete the inapplicable words.

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

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

**ARTICLE II**

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

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

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

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

**ARTICLE IV**

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

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

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

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

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

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

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

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

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

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

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

259059

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

**ARTICLE VI**

**Board of Trustees**

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

**Officers**

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

12238

THE COMMONWEALTH OF MASSACHUSETTS  
RESTATED ARTICLES OF ORGANIZATION  
(General Laws, Chapter 180, Section 7)

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

Effective Date January 1, 2004

WILLIAM FRANCIS GALVIN  
*Secretary of the Commonwealth*

TO BE FILLED IN BY CORPORATION  
Contact information:

Kelly A. McCarthy, Esq.

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

Springfield, MA 01115-5507

Telephone: 413-272-6306

Email: kmccarthy@bulkley.com

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

SECRETARY OF STATE  
RECEIVED

03 DEC 23 PM 3:02

CORPORATE DIVISION

KK  
Examiner

KP  
12/14/83  
Name  
Approved

# The Commonwealth of Massachusetts

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

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

We, Mark R. Tolosky, "President / ~~Chairman~~,"

and Helen F. Terrill, "Clerk / ~~Secretary~~,"

of Baystate Health System, Inc.  
(Exact name of corporation)

located at 759 Chestnut Street, Springfield, Massachusetts 01199  
(Address of corporation in Massachusetts)

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

1

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

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

members, 19 directors, or shareholders,

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

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

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

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

C ☐  
P ☐  
M ☐  
R.A. ☐

3  
EC

\*Delete the inapplicable words.

\*\*Check only one box that applies.

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

12/24/83



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

Later effective date: August 1, 2005

SIGNED UNDER THE PENALTIES OF PERJURY, this 22<sup>d</sup> day of July, 20 05

Mark P. Tolosky  
Mark P. Tolosky

\_\_\_\_\_, President / ~~KNOW~~ President,

Helena P. Terrell  
Helena P. Terrell

\_\_\_\_\_, Clerk / ~~KNOW~~ Clerk.

\*Delete the inapplicable words.

17408

THE COMMONWEALTH OF MASSACHUSETTS

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

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

Effective date: August 1, 2005

*William Francis Galvin*

**WILLIAM FRANCIS GALVIN**  
Secretary of the Commonwealth

945581

SECRETARY OF STATE  
RECEIVED  
JUL 25 PM 1:24  
JUL 25 2005

TO BE FILLED IN BY CORPORATION  
Contact information:

Kelly A. McCarthy, Esq.

Bulkley, Richardson and Gelinas, LLP

1500 Main Street, Suite 2700, Springfield, MA 01115

Telephone: (413) 272-6306

Email: kmccarthy@bulkley.com

A copy this filing will be available online at [www.mass.gov/sec/cor](http://www.mass.gov/sec/cor) once the document is filed.

**Attachment/Exhibit**

**F**

## RETURN OF PUBLICATION

I, the undersigned, hereby certify under the pains and penalties of perjury, that I am employed by the publishers of **The Springfield Republican** and the following Public/Legal announcement was published in two sections of the newspaper on **Tuesday, July 17, 2018** accordingly:

- 1) "PUBLIC ANNOUNCEMENT CONCERNING Baystate Medical Center, Inc., 759 Chestnut Street, Springfield, MA, 01199" page 22, Legal Notice Section.

(check one)

Size two inches high by three columns wide  
Size three inches high by two columns wide

- 2) "PUBLIC ANNOUNCEMENT CONCERNING Baystate Medical Center, Inc.,  
759 Chestnut Street, Springfield, MA, 01199" page 44, MAIN  
Section.

(check one)

Size two inches high by three columns wide  
Size three inches high by ~~two~~ three columns wide

Signature

Name

Title



**JOHN BRIAN EVANS**  
 Library Public  
 State of Massachusetts  
 My Commission Expires  
 August 24, 2018

Notice of Sale: On July 25, 2018 at 10:00 AM, at 18 Fitzpatrick Lane, Chicopee, MA, all and singular the premises described in said Mortgage, to wit: The land located in Chicopee, Hampden County, Massachusetts, known as 18 Fitzpatrick Lane, Chicopee, Massachusetts bounded and described as follows: Certain real estate in said Chicopee, being a 72' x 115' rectangular parcel of land situated on the north side of Fitzpatrick Lane, all as shown on a plan entitled "Plan of Land in City of Chicopee, Massachusetts, Hampden County, owned by John L. Fitzpatrick et al," dated November 25, 1974 and recorded in Hampden County Registry of Deeds in Book of Plans 155, Pages 52-53 and more particularly bounded and described as follows: SOUTHERLY: by said Fitzpatrick Lane, one hundred fifteen (115) feet; EASTERLY: by land now or formerly supposed to be of Eunice Sullivan, seventy-two (72) feet; NORTHERLY: by land of owner unknown, one hundred fifteen (115) feet; WESTERLY: by land now or formerly supposed to be of said Eunice Sullivan, seventy-two (72) feet. Being the same premises conveyed to the Mortgagee herein by deed recorded herewith. The premises are to be sold subject to and with the benefit of all easements, restrictions, encroachments, building and zoning laws, liens, unpaid taxes, tax titles, water bills, municipal liens and assessments, rights of tenants and parties in possession, and attorney's fees and costs.

**TERMS OF SALE:** A deposit of FIVE THOUSAND DOLLARS AND 00 CENTS (\$5,000.00) in the form of a certified check, bank treasurer's check or money order will be required to be delivered at or

before the sale, and the balance of the purchase price shall be paid in cash, certified or bank check with no intervening endorsements, at the time and place of sale. In the event that the successful bidder at the foreclosure sale shall default in purchasing the premises, the Mortgagee reserves the right to sell the property by foreclosure deed to the second highest bidder, providing that said second highest bidder shall deposit with the Mortgagee's attorneys, MARTIN & OLIVEIRA, LLP, The Clocktower, 75 South Church Street, Suite 550, Pittsfield, Massachusetts 01201, the amount of the required deposit as set forth herein within three (3) business days after written notice of the default of the previous highest bidder and title shall be conveyed to the said second highest bidder within twenty (20) days of said written notice. If the second highest bidder declines to purchase the Mortgaged Premises, the Mortgagee reserves the right to purchase the within described property at the amount bid by the second highest bidder. The Mortgagee reserves the right to postpone the sale to a later date by public proclamation at the time and date appointed

establishment in the existing building on 28 Appleton St. Holyoke MA. For information on this application please reach City Council Admin. Assistant Ryan Allen at (413) 322-5525 or by email at allenr@holyoke.org

**ORDINANCE COMMITTEE:**  
COUNCILOR LINDA VACON  
(July 17, 24)

**Springfield**  
Commonwealth of Massachusetts  
The Trial Court  
Probate and Family Court  
INFORMAL PROBATE  
PUBLICATION NOTICE  
Docket No. HD18P1057EA  
Hampden Division

**Public Announcement Concerning Baystate Medical Center, Inc.**

Baystate Medical Center, Inc. ("Applicant" or "Hospital"), a licensed hospital located at 759 Chestnut Street, Springfield, Massachusetts, 01199, intends to file on or about July 31, 2018 a request for a significant amendment ("Request") to its approved Determination of Need ("DON") Project #1-3835. The DON, as amended, approved new construction of a seven (7)-story addition that included replacement medical/surgical beds, additional medical/surgical and critical care beds, and other support services as well as shell space for future build-out by the Hospital ("Project"). The approved maximum capital expenditure ("MCE") is \$373,520,390 (October 2016 Dollars). The Hospital now seeks to build out 22,690 GSF of shell space in order to update and consolidate to one location its separate cardiac catheterization and electrophysiology services. There will be no changes in the number of treatment rooms or the services provided and therefore no impact on the Hospital's patient panel is projected. The amendment will increase the approved new construction GSF to 509,289 GSF and reduce its approved shell space to 133,913 GSF. The total approved GSF for the Project would increase to 703,560 GSF. The total cost of this phase of the Project will be \$55,032,439, increasing the total approved maximum capital expenditure ("MCE") to \$428,552,829 (July 2018 Dollars). Any lien taxpayers of Massachusetts may register in connection with the intended amendment by no later than August 30, 2018 by contacting the Department of Public Health Determination of Need Program, Attention: Program Director, 250 Washington Street, Boston, Massachusetts 02108.

form of a certified check, bank treasurer's check or money order will be required to be delivered at or before the time the bid is offered. The successful bidder will be required to execute a Foreclosure Sale Agreement immediately after the close of the bidding. The balance of the purchase price shall be paid within thirty (30) days from the sale date in the form of a certified check, bank treasurer's check or other check satisfactory to Mortgagee's attorney. The Mortgagee reserves the right to bid at the sale, to reject any and all bids, to continue the sale and to amend the terms of the sale by written or oral agreement.

FX	Black.	*** "Kung Fu Panda 3" (2016) Voices of Jack Black.		
FX		(J5) ** "Taken 3" (2014, Action) Liam Neeson. (R)		
HA		The Middle	The Middle	The Middle
HC		Hidden Pol.	Seaside	Hunters
HI		(:03) Counting Cars (N)	(:05) Forged in Fire (R)	
IN	nger'	Walker, Texas Ranger'	Guns n'oke (R)	
LI	ght (N)	(:03) Seven Year Switch	(:06) Seven Year Switch	
MI	ow	The Last Word	The 11th Hour	
MI		(:01) Fear Factor' (R)	(:02) Fear Factor' (R)	
NI	l' (Y)	Nasca Lines	Secrets of Area 51 (R)	
NI	ght (N) (Live) (R)		Best of Boston	
NI	Le Grand-Bornand.		American Ninja Warrior	
NI		Sports	Sports	Sports
NI	Chipmunks" (2007) Jason Lee.		Friends (R)	Friends (R)
PA	1987, Comedy) Goldie Hawn, Kurt Russell. (R)		Break Up	
SI		Futurama	Futurama	Futurama
TE	Bang	Big Bang	Big Bang	Conan (R)
TE	Shirley Jones. A glib	(145) *** "Meet Me in St. Louis" (1944, Musical) Judy Garland. (R) (DVS)		
TE	a town. (R)			
TE		(:03) Rattled (N)	(:06) Outdaughters	
TE	(N)	Animal Kingdom	Law & Order (R) (DVS)	
TE	er. Dad	Burgers	Family Guy	Family Guy
TE	tern	No Reservation	No Reservation	
TE	Jokers	Paid-Torrey Mack	Inside Jokes	Inside Jokes
TE	mond	Younger (N)	Teachers	King
TE	ttas (N)	El Chapo (N)	Impacto	Noticiero
TE		Chrisley	Cromarties	(:02) Shooter (R) (DVS)
TE	Allanta	Love & Hip Hop: Allanta	Black Ink Crew: Chicago	
TE		Law & Order' (R)	Law & Order "Passion"	
TE	ull" (1985) Roger Moore. (R)	(14) *** "Blue Velvet"		
TE	Horror) Jaeden Lieberher. (R) (R)	(15) Succession' (R)		
TE	Williams.	"Robin Williams: Come Inside My Mind" (2018) "NR"		
TE	"R' (R)	(9:50) * "I Love You, Beth Cooper"	C.B. Strike	
TE	Ell" (2010) Denzel Washington. (R)	"Last Moleicans"		
TE	(97)	America	The Affair "405" (R)	America
TE	"Soul Men" (2008) "R' (R)	(10) *** "Marshall" (2017)		
TE	PG-13	** "Rebel in the Rye" (2017) Nicholas Hoult. PG-13"		

Democratic primary last month, the first-time candidate saw parallels with her own longshot campaign for Congress in Western Massachusetts.

The 44-year-old Muslim, African-American civil rights lawyer, who is taking on a 30-year congressman and ranking Democrat on the influential House Ways and Means Committee, says she wasn't alone, as encouragement, volunteers and donations started pouring in.

"We could barely stay on top of the residual love," says Amatul-Wadud, U.S. Rep. Richard Neal's lone challenger in the state's Sept. 4

Attor  
inculc  
of a  
eld.

(CHAP)

Denitica  
mes  
teer  
adud,  
that  
of pro-

From the  
island  
deliv-  
Muslim  
likely  
to ad  
pel the  
limiter in

Pres  
his  
ery  
elec  
Muslim  
sing  
attac  
e fiz-

## Public Announcement Concerning Baystate Medical Center, Inc.

Baystate Medical Center, Inc. ("Applicant" or "Hospital"), a licensed hospital located at 759 Chestnut Street, Springfield, Massachusetts, 01199, intends to file on or about July 31, 2018 a request for a significant amendment ("Request") to its approved Determination of Need ("DoN") Project #1-3B36. The DoN, as amended, approved new construction of a seven (7)- story addition that included replacement medical/surgical beds, additional medical/surgical and critical care beds, and other support services as well as shell space for future build-out by the Hospital ("Project"). The approved maximum capital expenditure ("MCE") is \$373,520,390 (October 2016 Dollars). The Hospital now seeks to build out 22,690 GSF of shell space in order to update and consolidate to one location its separate cardiac catheterization and electrophysiology services. There will be no changes in the number of treatment rooms or the services provided and therefore no impact on the Hospital's patient panel is projected. The amendment will increase the approved new construction GSF to 509,389 GSF and reduce its approved shell space to 133,913 GSF. The total approved GSF for the Project would increase to 703,560 GSF. The total cost of this phase of the Project will be \$56,032,439, increasing the DoN approved maximum capital expenditure ("MCE") to \$429,552,829 (July 2018 Dollars). Any ten taxpayers of Massachusetts may register in connection with the intended amendment by no later than August 30, 2018 by contacting the Department of Public Health Determination of Need Program, Attention: Program Director, 250 Washington Street, Boston, Massachusetts 02108.

## **Attachment/Exhibit**

**G**



**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: 1-3B36 Original Application Date: 03/30/2007

Applicant Name: Baystate Health, Inc.

Application Type: Amendment Significant

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

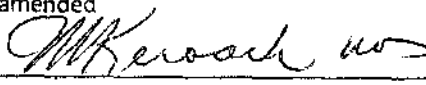

Is the Applicant the sole member or sole shareholder of the Health Facility(ies) that are the subject of this Application? ☒ Yes ☐ No

The undersigned certifies under the pains and penalties of perjury:

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

**Corporation:**

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

Mark A. Keroack		<u>7-25-18</u>
CEO for Corporation Name:	Signature:	Date
Anne M. Paradis		<u>7/25/18</u>
Board Chair for Corporation Name:	Signature:	Date

This document is ready to print: ☒

Date/time Stamp: 07/16/2018 6:54 pm