



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
250 Washington Street, Boston, MA 02108-4619

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ROBERT GOLDSTEIN, MD, PhD
Commissioner

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DATE: September 13, 2023

Crystal Bloom, Partner
Husch Blackwell LLP
One Beacon Street, Suite 1320
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VIA electronic mail: Crystal.Bloom@huschblackwell.com

RE: Notice of Transfer of Site Application #BH-23061217-TS

Dear Attorney Bloom,

We are in receipt of the above-referenced Notice and its accompanying attachments, dated July 19th, 2023, wherein Baystate Health, Inc. (Applicant or Baystate) provided notice to the Department of Public Health (the Department) in accordance with 105 CMR 100.745 for a proposed transfer of site of one computed tomography (CT) unit from Baystate Mary Lane (BML) Outpatient Center located at 85 South Street, Ware, MA to Baystate Wing Hospital (BWH) located at 40 Wright Street, Palmer, MA, as described below.

Baystate has complied with the requirements of Notice and has provided information sufficient to allow the Department to make a finding that the proposed transaction will neither result in a Substantial Capital Expenditure nor Substantial Change in Service, and thus will not first require a Notice of Determination of Need (DoN).

The proposed transfer of site involves the relocation of CT services from BML, a satellite of BWH, to BWH's main campus in order to maintain access to CT services for the Applicant's Patient Panel.

Description and Reason for Request

BWH is a 68-bed community hospital located in Palmer, MA. BWH has one CT unit, and a second CT unit that is currently out of service. BWH is planning to close its satellite, BML on or around December 2023. On January 26, 2021, BWH filed the required notices with the Department of its intent to close BML within two years and relocate a majority of its services to BWH. To preserve timely access to CT services for Baystate patients, Baystate plans to transfer

its right to operate one CT unit from BML in Ware to an existing out of service, CT unit at BWH in Palmer.

Gross Square Feet (GSF)

The CT unit at the BML currently occupies 474 GSF. The CT will occupy 462 GSF at BWH, if approved.

Demographics and Primary Service Area (PSA)

The Applicant provided detailed patient demographic and patient origin information of patients of BML and BWH who received CT services in FY22. In FY22, 715 patients received CT services at BML and 9,090 patients received CT services at BWH.

Age: BML has a higher percentage of individuals over age 65 (51.9% vs. 41.7%).

Race/Ethnicity: The majority of patients identified as White at BML and BWH. Due to small numbers, different categories were suppressed to protect patient privacy.

Patient Origin: The Applicant states that the Primary Service Area (PSA) for BML's CT services includes Ware, Belchertown, Palmer, Monson, West Brookfield, Warren, Ludlow, Brimfield, and Wilbraham. The PSA for BWH CT services overlaps with BML's and includes Springfield and Chicopee. Zip code analysis of the top ten cities/towns for BML and BWH patients shows that they share the 10 top cities/towns for CT patients.¹

Payer Mix: The largest payer for BML CT patients is Medicare (Medicare FFS(44.6%) and Managed Medicare 13.4%) followed by Commercial payers (27.7%). The largest payer for BWH CT patients is Medicare (Medicare FFS 29.7% and Managed Medicare (16%) followed by Commercial payers (30.2%).

Patient Access

The proposed site is located approximately 10 miles from BML. The Applicant asserts that the Proposed Transfer of Site is needed to provide continued access to CT services for BML's patient population. The Applicant states that patients that accessed CT services at BML will experience increased wait times and limited ability to access urgent same-day imaging studies with the closure of BML. Transferring the right to operate the CT unit to BWH will allow BWH to meet demand for continued access to CT services, including during when either unit experiences periods of downtime due to maintenance. The Applicant states that it anticipates that patients residing closer to Palmer than to Ware will experience more convenient access to the CT services at BWH, if the proposed transfer is approved.

Impact on Health Care Spending

The Applicant states that the Proposed Transfer will not impact price because there will be no change in contracts or payer reimbursement for CT services. Additionally, the Proposed Project will not materially impact total medical expenditures (TME) for the Commonwealth because

¹ Top ten cities/towns includes the following: Ware – 01082, Belchertown – 01007, Springfield – All zip codes, Palmer – 01069, Monson – 01057, West Brookfield – 01585, Warren – 01083, Ludlow – 01056, Three Rivers – 01080, and Wilbraham – 01095.

BWH has an existing unit that can be relicensed without additional associated costs and because timely access to CT imaging will allow for earlier diagnosis and treatment, when conditions are less costly to treat. The Applicant does not expect to experience an increase in operating costs, because the costs are currently incurred at BML which is a satellite of BWH.

There are no costs associated with the Proposed Transfer of Site, it does not involve a capital expenditure, nor would it increase CT capacity at BWH since the Applicant proposes relicensing an existing CT unit that is currently out of service at BWH.

Findings:

The Department finds that Baystate Health, Inc. (Baystate or Applicant) has provided the Department with the information required in 105 CMR 100.745(D). Based upon review of the Notice and supporting materials, the Department finds that this transaction does not require a DoN either as a Substantial Capital Expenditure or Substantial Change in Service, pursuant to 105 CMR 100.715, and that Baystate may move forward with the proposed changes in the designated locations.

Sincerely,



Robert Goldstein, MD, PhD
Commissioner, Massachusetts Department of Public Health