

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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DATE: May 28, 2021

VIA EMAIL: alevine@summithealthlawpartners.com

Andrew Levine, Esq. Summit Health Law Partners One Beacon Street, Suite 1320 Boston, MA 02108

RE: Baystate MRI And Imaging Center, LLC – Notice of Transfer of Site/Change in Designated

Location

Application # BMIC-21031112-TS

Dear Mr. Levine:

We are in receipt of the above-referenced Notice and its accompanying letter, dated March 11, 2021, in which Baystate MRI And Imaging Center, LLC provided written notice to the Department of Public Health (the Department) in accordance with 105 CMR 100.745 (the Regulation) for a proposed transfer of site by the Baystate MRI And Imaging Center, LLC. The proposed transaction is for the transfer of an unused one day PET/CT service from Berkshire Medical Center, Baystate MRI And Imaging Center's satellite host location in Pittsfield to Baystate MRI And Imaging Center located in Springfield.

Baystate MRI And Imaging Center, LLC 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 or Substantial Change in Service and thus will not first require a Notice of Determination of Need (DoN).

Application Summary

Background, Reason for Request, and Other Required Elements of Notice:

The proposed transfer of site involves two sites: (1) Baystate MRI And Imaging Center (BMIC), main site located in Springfield, MA, and (2) Berkshire Medical Center (Berkshire), BMIC's satellite host located in Pittsfield, MA.

Baystate MRI And Imaging Center, LLC provides mobile PET/CT imaging services at BMIC two days per week. Additionally, Baystate MRI And Imaging Center, LLC has approval to operate a satellite host location and provide mobile PET/CT imaging services one day per week at Berkshire;

however, the Applicant currently does not provide this imaging service at Berkshire and is an unused day of service. The imaging service was replaced by a service operated by Shields PET-CT at Berkshire Medical Center, LLC in 2018.¹

The proposed transfer of site will increase PET/CT imaging services from two days per week to three days per week at BMIC. Due to new or prominent cancer screening programs and new imaging agents,² there is an increased demand for PET/CT services at BMIC³, resulting in 90% operational capacity and longer wait times⁴. Further, wait times have been exacerbated by COVID-19.

Location and Location Change: The Applicant seeks to transfer one day of PET/CT imaging services from Berkshire in Pittsfield to BMIC in Springfield. There is no associated gross square feet (GSF) for the PET/CT imaging services because it is unused. After the transfer of the one unused day per week, BMIC will have a total of three days per week of PET/CT imaging services. BMIC's existing space, approximately 1,200 GSF, currently used for PET/CT imaging services will be the same space used for the additional day of service.

Primary Service Area (PSA): The one day of PET/CT services at Berkshire is currently unused; thus, currently, there is not a PSA for this service.⁵ After the transfer of site, the PSA for this service will be BMIC's PSA.⁶ The patient populations served by Shields PET-CT at Berkshire Medical Center, LLC and BMIC do not overlap. Also, there are no significant differences between the patient populations served⁷ and are similar with respect to the top disease categories.

The proposed transfer of an additional one day of imaging service at BMIC will improve and increase necessary access for patients residing in the BMIC PSA. This will ensure sufficient capacity and timely access to PET/CT services necessary for disease staging and treatment planning. Patients in the Berkshire PSA will continue to have timely access to PET/CT services through Shields PET-CT at Berkshire Medical Center, LLC.8 Thus, this transfer will not adversely affect patient access and allow for the efficiency of resources.

Pricing: The transfer of site will have no impact on price; no changes will occur regarding the pricing of PET/CT services, and all pricing will remain consistent. There is no total medical

BMIC patient population: 52.3% men and 47.7% women; 69% older adults 65+

Shields at Berkshire patient population: 50.3% men and 49.7% women; 59.3% older adults 65+

Top four clinical indications at both locations: Lung, Lymphoma, Solitary Pulmonary Nodule, and Head and Neck

¹ Shields and Berkshire Hospital formed a joint venture and received DoN approval to establish a separately licensed clinic to provide PET/CT services [previously, Berkshire Hospital was a satellite location under the BMIC license]

² For example, PET radioligand used in detection of neuroendocrine tumors used to support recently added therapeutic program at Baystate Health

³ Between April 2019-March 2020: 16% increase in lung cancer scans, 23% increase in early detection scans and 24 cases to 55 cases related to women's reproductive cancers; PET/CT scans more than 20 unique patients in a single year from the new therapeutic program at Baystate Health

⁴ 10-14 days compared to typical 5-10 day appointment availability

⁵ Shields PET-CT currently provides PET/CT services at Berkshire. Their PSA includes Pittsfield, North Adams, Great Barrington, Adams, Lenox, Dalton, Lee, Williamstown, and Hinsdale

⁶ Springfield, Chicopee, West Springfield, Westfield, Holyoke, Agawam, Ludlow, Palmer, Greenfield, Longmeadow, South Hadley, Belchertown, Wilbraham, Ware, Montague, Southwick, Easthampton, and Monson

⁷ For 2020-

⁸ Currently, 5 to 7 days wait times for PET/CT scans and the existing unit is operating at 40% capacity

expenditure (TME) associated with the proposed transfer of site as they will be used to meet current demand.

There will be a proportionate increase in operating costs primarily due to staff costs associated with an additional day of service at BMIC.

Sufficient Interest in the Proposed Site: The Applicant states that BMIC is appropriately zoned to provide PET/CT imaging services and leases the required space from Baystate Medical Center for its clinical operations.

Findings: The Department finds that Baystate MRI And Imaging Center, LLC has provided the Department with the information required in 105 CMR 100.745(D) listed above. 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 Baystate MRI And Imaging Center, LLC may move forward with the proposed changes in designated location.

<signature on file>

Monica Bharel, MD, MPH Commissioner

cc E. Kelley L. Szent-Gyorgyi R. Rodman S. Lohnes D. Gent