Beth Israel Lahey Health, Inc.

Grant Thornton LLP
Monitoring Report

For the period of analysis covering October 1, 2019 through September 30, 2020

June 30, 2021

Grant Thornton

TABLE OF CONTENTS

I. INTRODUCTION AND ASSIGNMENT OBJECTIVES

Grant Thornton LLP ("Grant Thornton", "we", "us", "our") was retained by Beth Israel Lahey Health, Inc. ("BILH") pursuant to the provisions of our engagement letter and related scope of work executed on April 30, 2019 and August 29, 2019, respectively.

As contemplated by the Assurance of Discontinuance in the matter of the Commonwealth of Massachusetts v. Beth Israel Lahey Health, Inc., executed as of November 29, 2018 (the "AOD"), BILH has retained Grant Thornton as a third party monitor ("the Monitor") to perform the duties set forth in the AOD and on terms consistent with the AOD. The Monitor has conducted an assessment of certain financial and operational metrics of BILH, as described in further detail herein. The terms of the engagement have been approved by the Massachusetts Attorney General's Office (the "AGO"), which has been designated as a third-party beneficiary to BILH's engagement letter with Grant Thornton.[1]

For the reporting year of October 1, 2019 to September 30, 2020, Grant Thornton, in consultation with the AGO and with input from BILH, prepared a proposed Scope of Work (see Exhibit 1) and associated budget detailing the services to be provided by Grant Thornton. The AGO reviewed and approved the proposal.[2] Subsequently, as requested by BILH and approved by the AGO, the work plan was adjusted to allow for the due date of the report to change from January 15, 2021 to June 30, 2021 to allow BILH to focus on the COVID-19 pandemic.

In the role of Monitor, Grant Thornton has obtained information from BILH and related parties through written documents and interviews. While Grant Thornton has performed testing on various aspects of the information provided, it is the expectation that information provided by BILH can be relied upon to be true, accurate and complete. Testing is defined within each section of the subsequent report.

In accordance with the AOD and Grant Thornton's professional standards, Grant Thornton is independent of BILH to the extent there are no known conflicts in the form of recent or current economic relationships (except for this engagement), governance conflicts or other impairments related to BILH or any of the entities listed in Exhibit A of the AOD, or to the AGO.

[1] AOD Par. 142.
[2] AOD Par. 144.

II. LIMITATIONS AND DISCLAIMERS

A. Standards of Performance

We were engaged as Monitor in accordance with the AOD. Nonetheless, and notwithstanding the specifics of the AOD, our scope of work is limited to that set forth in our engagement letter or as otherwise agreed to by the AGO and BILH. The scope of services in our engagement letter was reviewed and approved by the AGO. Our monitoring services did not and do not constitute an audit, review, or compilation in accordance with auditing and attestation standards and, consequently, we do not express an opinion on the figures included in the report. Because our services are limited in nature and scope, they cannot be relied upon to discover all documents and other information or provide all analyses that may be of importance in this matter. Accordingly, we make no representations regarding the sufficiency of our procedures for any other purposes or for the purposes of any third party recipient. Our services were provided in accordance with the Statement on Standards for Consulting Services promulgated by the American Institute of Certified Public Accountants (the "AICPA") and, accordingly, neither constitute a rendering by Grant Thornton or its partners or staff of any legal advice, nor do they include the compilation, review, or audit of financial statements, as defined by the AICPA.

Unless specifically stated herein, we did not validate the accuracy or completeness of any data or information provided to perform our procedures. The scope of the assignment has been limited to analyses of documents and data, along with information provided in interviews, which have all been provided by BILH, the AGO, or third parties at BILH's request. As such, we cannot be relied upon to discover all documents and other information or provide all analyses that may be of importance to the operations and administration of BILH. Although we have been engaged to monitor aspects of BILH's compliance with the AOD, we cannot and do not guarantee that BILH complied with the AOD or any other law or regulation. Of course, BILH and the AGO have asked us to identify indications of noncompliance with the AOD with which we became aware and we have done so herein. For the avoidance of doubt, our responsibility for the engagement was not to conduct an investigation into possible fraudulent or unlawful activity.

B. Limitations on Use and Distribution

This report is prepared solely for the purpose contemplated by the engagement letter and is restricted for the use of BILH therein. It is not intended for and should not be used or relied upon by any third parties. We have not and shall not be deemed to assume any duties or obligations to any third party. This report is limited to the specific scope of work agreed to with BILH as specified in the Engagement Letter. We understand that a copy of the report will be delivered to the AGO as a requirement of the AOD, and will be subject to public disclosure laws and may be accessible to the public via the AGO's internet site. Except as specifically contemplated by the engagement letter or as required by applicable law or the AOD, our report may not be copied, reproduced, disseminated, or distributed. In preparing this report, Grant Thornton used professional care and diligence and relied upon the information provided by BILH and other sources for our analysis. No representation or warranty, express or implied, is made by Grant Thornton as to the accuracy or completeness of the information relied upon and included in this report.

Grant Thornton acknowledges and accepts that this report was prepared for BILH at the request of the AGO in connection with the AOD and may become a public record and subject to public disclosure. Nonetheless, Grant Thornton assumes no duties or obligations to any member of the public. By reviewing this Report any third party acknowledges and agrees that the Report was prepared solely for BILH and that they may not rely on it for any purpose. This report is not to be used for any purpose other than as explicitly contemplated by the Engagement Letter and we specifically disclaim any responsibility for losses or damages incurred through the use of this report for any other purpose.

III. GLOSSARY OF TERMS

The following terms will be used throughout this report, and will be defined in this section for reference purposes. The terms defined in this report are consistent with those used in the AOD.

1. **Access Period** – March 1, 2019 – February 28, 2027, the eight (8) year period following the Closing Date.[3]
2. **AGO** – Massachusetts Office of the Attorney General.
3. **AICPA** – American Institute of Certified Public Accountants.
4. **Alternative Payment Methods** – Any transfer of funds from a payer to BILH pursuant to a contract for a Commercial Health Insurance Product or a Managed Medicare Health Insurance Product that is not captured by Commercial Unit Price payments or by Managed Medicare Percent of Unit Price payments, including but not limited to risk payments, quality payments, and infrastructure payments.[4]
5. **AOD** – Assurance of Discontinuance, pursuant to M.G.L. Chapters 93A, § 5 and 93, § 9.[5]
6. **APG** – Affiliated Physicians Group.
7. **Baseline Revenue** – Revenue paid to BILH by a payer for that category of services in 2019, or the revenue that was paid to BILH for that category of services in a recent trailing twelve-month period, provided that each such revenue amount during such recent trailing twelvemonth period used by BILH for this purpose is acceptable to the Covered Commercial Payer.[6]
8. **Baseline Set of Services** – Volume of each and every health care service provided by Covered BILH Providers to a Covered Commercial Payer's enrollees…in the most recently completed Contract Year.[7]
9. **BHC** – Behavioral Health Clinician.
10. **BIDCO** – Beth Israel Deaconess Care Organization, one of the three legacy physician contracting organizations.[8]
11. **BIDMC** – Beth Israel Deaconess Medical Center, Inc.
12. **BILH** – Beth Israel Lahey Health, Inc., including its corporate affiliates, subsidiaries, subdivisions, officers, directors, trustees, partners, agents, servants, employees and/or successors.[9]
13. **BILH Hospital** – Any Massachusetts licensed hospital that is owned, operated, or controlled by BILH, including all facilities and sites that operate under the license of such hospital.[10]
14. **BILHPN** – Beth Israel Lahey Health Performance Network.
15. **BILH Providers** – All health care providers that are owned or controlled by, under direct financial management of, or that jointly contracted with BILH. The term "BILH Provider" shall include all of its subdivisions, officers, directors, trustees, partners, agents, servants and/or employees (including its employed physicians and other health care professionals) and all of the physicians and other health care professionals who are members of, are affiliated with and/or participate in such BILH Provider for payer contracting.[11]
16. **Bridge Clinic** – A transitional outpatient addiction clinic that provides substance use disorder treatment to patients leaving the emergency department or patients discharged from inpatient care until the patient is placed in a community care setting.[12]

[3] AOD Par. 10.
[4] AOD Par. 11.
[5] AOD Par. 6.
[6] AOD Par. 77(g)(ii).
[7] AOD Par. 77(b).
[8] BILH 60 Day Report dated April 30, 2019 – Patients and Revenue p.2.
[9] AOD Par. 15.
[10] AOD Par. 17.
[11] AOD Par. 19.
[12] AOD Par. 20.

17. **CBM Program** – Centralized Bed Management Program. Lahey Health's centralized inpatient psychiatry and detoxification bed management and bed placement system wherein a centralized system or department monitors a behavioral health patient's progress through a facility's emergency department and coordinates the placement of such behavioral health patients in the inpatient unit best suited to their needs based on clinical presentation and geographic location.[13]
18. **CCA** – Community Care Alliance.
19. **CCS** – Community Crisis Stabilization.
20. **CHA** – Cambridge Health Alliance.
21. **CHC Affiliate** – Community Health Center Affiliate, or Bowdoin Street Health Center, Inc.; Fenway Community Health Center, Inc.; South Cove Community Health Center, Inc.; Dimock Community Health Center, Inc.; Charles River Community Health, Inc.; or Outer Cape Health Services, Inc.[14]
22. **CHIA** – Center for Health Information and Analysis.[15]
23. **CIN** – Clinically-Integrated Network.[16]
24. **Closing Date** – March 1, 2019, the date upon which BILH became the sole member of any or all of the entities listed as First Tier Affiliates in Exhibit A of the AOD.[17]
25. **Commercial Health Insurance Product** – Any of the various health insurance plans or products and/or health benefit plan designs offered or administered by any payer and not funded by Medicare, or Medicaid, including but not limited to tiered network plans, limited network plans, self-insured health plans, indemnity plans, preferred provider organization plans, health maintenance organization plans, and point of service plans.[18]
26. **Commercial Unit Price** – The negotiated rate of reimbursement to be paid to BILH or any Covered BILH Provider in exchange for providing a specified health care service to an enrollee.[19]
27. **Commercial Unit Price Rate of Increase** – The percentage change in total Projected Revenue that would be paid, in the aggregate, to the Covered BILH Providers from one Contract Year to the immediately following (next) Contract Year for a pre-defined "market basket" of health care services.[20]
28. **Commonwealth** – The Commonwealth of Massachusetts.
29. **CCA** – Community Care Alliance.
30. **Community Health Center** – A non-profit, community-based organization that provides comprehensive primary and preventive health care and social services to medically underserved individuals and families (see Section 330 of the Public Health Service Act).[21]
31. **Contract Year** – A twelve (12) month period during which a Payer Contract between BILH or any Corporate Affiliate of BILH and a Covered Commercial Payer or Covered Managed Medicare Payer is in effect.[22]
32. **Covered BILH Providers** – All BILH Providers excluding the Joint Contracting Safety Net Affiliates.[23]
33. **Covered Commercial Payer** – Payers that issue health insurance policies for Massachusetts residents, including the following named payers: Harvard Pilgrim Health Care, Inc.; Tufts Health Plan, Inc.; Blue Cross and Blue Shield of Massachusetts, Inc.; Fallon Community Health Plan, Inc.; United Healthcare, Inc.; Cigna Corporation; and Aetna Health, Inc.; and additional Payers, as necessary, so that the volume

[13] AOD Par. 22.
[14] AOD Par. 23.
[15] AOD Par. 24.
[16] AOD Par. 25.
[17] AOD Par. 26.
[18] AOD Par. 29.
[19] AOD Par. 75.
[20] AOD Par. 77(a).
[21] AOD Par. 28.
[22] AOD Par. 32.
[23] AOD Par. 35.

of payments pursuant to Commercial Health Insurance Products to Covered BILH Providers that the System-wide Price Constraint applies to collectively account for at least 90% of such commercial payments to the Covered BILH Providers.[24]

34. **Covered Managed Medicare Payer** – Any Payer that contracts with BILH for any BILH Providers to provide services to that Payer's Managed Medicare enrollees.[25]
35. **COVID-19 –** Coronavirus Disease 2019 pandemic.
36. **DoN –** "Determination of Need Application": NEWCO-17082413-TO, amended and approved by the DPH, October 2018.[26]
37. **DPH** – Massachusetts Department of Public Health.[27]
38. **Fiscal Year** – October 1, 2019 – September 30, 2020, which is BILH's fiscal reporting year as pertaining to this report.
39. **Filing Date** – November 29, 2018, the date upon which the AOD was filed with the clerk of the Suffolk Superior Court.[28]
40. **First Tier Affiliate** – Any entity of which BILH is the sole corporate member.[29]
41. **Gateway Municipality** – A municipality with a population greater than 35,000 and less than 250,000 with a median household income below the Commonwealth's average and a rate of educational attainment of a bachelor's degree or above that is below the Commonwealth's average.
42. **HCCGB** – Health Care Cost Growth Benchmark.[30]
43. **HPC** – Massachusetts Health Policy Commission.
44. **IMPACT model** (also referred to as the "Collaborative Care" model or "CoCM") – A behavioral health integration model, which involves introducing primary care patients who are identified through screenings and direct referrals to an embedded behavioral health clinician.[31]
45. **Joint Contracting SNA** – Lawrence General Hospital, Cambridge Health Alliance, and any other Safety Net Hospital that may enter into an agreement with BILH pursuant to which BILH contracts with payers on its behalf. [32]
46. **Lahey** – Lahey Health System, Inc.
47. **LCI** – Lahey Clinic, Inc.
48. **LCPN** – Lahey Clinical Performance Network.
49. **LGH** – Lawrence General Hospital.
50. **LHMC** – Lahey Hospital and Medical Center.
51. **MACIPA** – Mount Auburn Cambridge Independent Practice Association
52. **Managed Medicare Health Insurance Product** – A managed care health insurance plan made available by a Payer only to Medicare-eligible enrollees under Title XVIII of the Social Security Act.[33]
53. **Managed Medicare Payment Constraint -** The relevant Managed Medicare Percent of Unit Price paid to BILH or a Covered BILH Provider in the most recently completed Contract Year, regardless of any changes made by the government to the underlying Centers for Medicare and Medicaid Services' Medicare Rate Schedules.[34]

---

[24] AOD Par. 78(a)-(b).
[25] AOD Par. 88.
[26] AOD Par. 128.
[27] Ibid.
[28] AOD Par. 39.
[29] AOD Par. 40.
[30] Health Care Cost Growth Benchmark, via *https://www.mass.gov/info-details/health-care-cost-growth-benchmark#benchmark-overview-*, accessed June 14, 2021.
[31] AOD Par. 45.
[32] AOD Par. 46.
[33] AOD Par. 48.
[34] AOD Par. 85.

54. **Managed Medicare Percent of Unit Price** - The negotiated rate of reimbursement to be paid to BILH or any Covered BILH Provider in exchange for providing a specified health care service to an enrollee of a Covered Managed Medicare Payer's Managed Medicare Health Insurance Product, expressed as a percentage of the Centers for Medicare & Medicaid Services' Medicare Rate Schedules.[35]
55. **MAPS** – Mount Auburn Professional Services.
56. **MassHealth ACO** – Accountable Care Organization health programs offered through MassHealth.[36]
57. **MAT** – Medication Assisted Treatment.[37]
58. **MOU** – Memorandum of Understanding.
59. **Monitor** – The independent third party who will monitor BILH's compliance with the AOD throughout the Monitoring Period.[38]
60. **Monitoring Period** – March 1, 2019 – February 28, 2029, the ten (10) year period following the Closing Date.[39]
61. **NEBH** – New England Baptist Hospital.
62. **NEPHO** – Northeast Physician Hospital Organization.
63. **NMP** – Northeast Medical Practice.
64. **NPSR** – Net Patient Service Revenue. The revenue a hospital would expect to collect for services provided less contractual allowances, as contained in the hospital's financial statements and as reported by the hospital to CHIA.[40]
65. **Partners** – Partners HealthCare.
66. **Payer** – Any organization or entity that contracts with health care providers and other health care organizations to provide or arrange for the provision of health care services to any person or group of persons and that is responsible for payment to such providers and other health care organizations of all or part of any expense for such health care services.[41]
67. **Payer Contract** – Contract between BILH and a payer pursuant to which BILH agrees to provide or arrange for the provision of health care services to enrollees of the Payer's Commercial Health Insurance Products and/or the Payer's Managed Medicare Insurance Products.[42]
68. **PCP** – Primary care provider.[43]
69. **Price Constraint Period –** March 1, 2019 – February 28, 2026, the seven (7) year period following the Closing Date to which the price constraint requirements apply.[44]
70. **Projected Revenue –** To calculate the Projected Revenue for a given service in each Contract Year, the negotiated Commercial Unit Price for that service in that Contract Year is applied to the volume of that service in the Baseline Set of Services.[45]
71. **S-RP –** Statewide Relative Price.
72. **Safety Net Hospital –** Any hospital with a Medicaid payer mix greater than 20%, as reported by CHIA for the prior fiscal year.[46]
73. **Scope Period –** October 1, 2019 - September 30, 2020, the period pertaining to this report.
74. **SHC –** Signature Healthcare Brockton Hospital.

---

[35] AOD Par. 83.
[36] AOD Par. 52.
[37] AOD Par. 53.
[38] AOD Par. 54.
[39] AOD Par. 55.
[40] BILH 60 Day Report dated April 30, 2019 – Patients and Revenue p.3.
[41] AOD Par. 58.
[42] AOD Par. 59.
[43] AOD Par. 60.
[44] AOD Par. 61.
[45] AOD Par. 77(c).
[46] AOD Par. 64.

75. **SNA –** Safety Net Affiliate, meaning Lawrence General Hospital; Cambridge Health Alliance; or Signature Healthcare Brockton Hospital.[47]
76. **System-wide Price Constraint** – Value set at the HCCGB in the calendar year the Payer Contract in effect for those Contract Years is signed, minus 0.1%.[48]
77. **Transaction Parties –** Lahey Health System, Inc., CareGroup, Inc., and their component parts, subsidiaries, and affiliates; Seacoast Regional Health Systems, Inc.; Lahey Clinical Performance Network, LLC; Lahey Clinical Performance Accountable Care Organization, LLC; and Beth Israel Deaconess Care Organization, and including all the closing entities as listed on Exhibit A of the AOD.[49]
78. **Uniform Price Change –** Payer Contracts or parts of Payer Contracts in which BILH and a Covered Commercial Payer negotiate percentage price changes for categories of health care services in which all services in such category receive the same negotiated percentage price change.[50]
79. **Vertically Integrated** – A relationship between a payer and a health care system in which a health care system controls, is controlled by, or is under common control with a payer, whether by corporate membership, equity ownership, or otherwise.[51]
80. **WINPHO –** Winchester Physician Hospital Organization**.**
81. **WPA –** Winchester Physician Associates.
82. **Year End** – September 30, 2020, the final day of BILH's fiscal year end.
83. **Year 1 –** November 29, 2018 - September 30, 2019, the period pertaining to Grant Thornton's monitorship report dated January 15, 2020.
84. **Year 2 –** October 1, 2019 - September 30, 2020, the Scope Period pertaining to this report.

[47] AOD Par. 63.
[48] AOD Par. 76.
[49] AOD Par. 1.
[50] AOD Par. 77(g)(i).
[51] AOD Par. 78(c)(i).

IV. EXECUTIVE SUMMARY

Following an investigation of the proposed merger of Lahey Health System, Inc. ("Lahey"), CareGroup, Inc., and Seacoast Regional Heath Systems, Inc. to form BILH, the AGO and BILH reached a resolution to mitigate concerns surrounding the risk of: (a) substantially lessened competition in the sale of health care services in certain geographic areas of the Commonwealth; (b) potential increases in total health care costs in the Commonwealth; and (c) adverse effects on access to health care services, particularly for vulnerable populations.

As part of this resolution, the parties agreed upon a set of enforceable conditions by the Commonwealth of Massachusetts (the "Commonwealth") to be tracked and verified on an annual basis by a third party for the (10) year period following the Closing Date (the "Monitoring Period"), as set forth in the Assurance of Discontinuance ("AOD"), dated November 29, 2018.

As the third party compliance monitor, Grant Thornton serves, in part, to observe BILH's compliance or lack thereof with the requirements set forth by the AOD and to report on these findings annually based on testing performed in accordance with the annual work plan (see **Exhibit 1**). The work plan was developed in consultation with the AGO and with input from BILH, and was subsequently approved by the AGO.

The AOD describes various requirements with compliance deadlines that occur throughout the Monitoring Period. This report focuses primarily on the requirements with compliance deadlines that fall within BILH's Fiscal Year that ended on September 30, 2020. Where appropriate, Grant Thornton has noted BILH's progress against requirements with compliance dates that fall in future periods when adequate evidence was available for us to do so. Lastly, the findings in this report pertain to the Year 2 reporting period only. Refer to Grant Thornton's Year 1 report for Grant Thornton's previous findings.

BILH Compliance Testing Overview:

- **A – Price Constraint –** The AOD describes a Price Constraint mechanism outlined to "…mitigate the growth of health care costs in the Commonwealth".

  For the items subject to a determination of compliance as of September 30, 2020, BILH identified the Covered Commercial Payers, and payers excluded from the price constraint provisions, which Grant Thornton analysed and tested. An assessment of current managed care contracts revealed twenty contracts, thirteen for Commercial Health Insurance Products and seven for Medicare Advantage Health Insurance Products, were renegotiated and executed between the October 1, 2019 and September 30, 2020.

  For each of the thirteen Commercial Contracts, BILH calculated the Uniform Price Change for various services categories within inpatient and outpatient service groupings where applicable. The information provided, and consistent with Grant Thornton's testing, indicated each of the thirteen Commercial Contracts contained an aggregate Commercial Unit Price Rate of Increase below the System-wide Price Constraint of 3.0% established by the AOD.

  For each of the seven Medicare Advantage contracts, Grant Thornton reviewed contract agreements and amendments provided by BILH. The information provided, and consistent with Grant Thornton's testing, indicated two contracts required review for, and were in compliance with, the requirements of the Managed Medicare Price Constraint while five contracts contained Alternative Payment Methods and did not require evaluation for compliance with the Managed Medicare Price Constraint. Based on

these procedures, Grant Thornton has not identified evidence of non-compliance with the terms of AOD.

- **B – Substantially Similar Services –** The AOD states that BILH shall maintain access to substantially similar clinical services for the communities served by BILH Hospitals as were offered before the Closing Date.

  Grant Thornton reviewed documentation of clinical service offerings as of the Closing Date and as of September 30, 2020. Additionally, Grant Thornton conducted interviews with BILH staff related to the availability of selected services. In the course of this testing, Grant Thornton found no evidence of noncompliance with BILH's obligations related to access for the communities served by its Hospitals as outlined in the AOD. Services that were temporarily suspended due to COVID-19 have generally been restored.

- **C – MassHealth –** The AOD describes a requirement for BILH Providers (all health care providers that are owned or controlled by, under direct financial management of, or that jointly contracted with BILH) and facilities participating in MassHealth to maintain their participation in MassHealth indefinitely. BILH may not limit the number of MassHealth patients it collectively serves.

  Based on testing procedures performed, Grant Thornton has noted no evidence that BILH caps the number of MassHealth patients it serves, nor that it has not maintained the number of providers and facilities participating in MassHealth.

- **D – CHCs and SNAs: Investments –** During the Access Period, the AOD requires BILH to maintain historical levels of funding of $40.96 million to Community Health Centers ("CHCs") and Safety Net Affiliates ("SNAs"), while also agreeing to make additional investments of $8.8 million in direct financial support. Biannual contributions amounting to a minimum of $4.096 million must be made throughout the Access Period.

  Grant Thornton analyzed contributions related to CHCs and SNAs and noted that BILH's contribution of $11,377,042 is in excess of the minimum biannual contribution of $4.096 million. BILH's Year 2 contributions totaled $6,867,544. There is no determination of compliance required by the AOD for the Scope Period of this report. A determination will be made in a subsequent report.

- **D – Community Investments –** The AOD requires BILH to fund and distribute at least $5 million in investments throughout the Access Period to expand access to necessary health care services for communities of color and lower-income levels. This amount is in addition to the $40.96 million in commitments throughout the Access Period to CHCs and SNAs referred to in Section D above.

  Grant Thornton analyzed contributions to Gateway Municipalities, and noted $106,600 of the $5 million community investments requirement has been disbursed as of September 30, 2020; however, there is no determination of compliance required by the AOD for the Scope Period of this report. A determination will be made in a subsequent report.

- **D – Hiring –** The AOD states that BILH must promote access to healthcare providers in underserved communities in eastern Massachusetts while adhering to hiring constraints specified in the AOD. For a period of one year after the Closing Date, BILH may not employ any PCP who, as of the Filing Date, is employed by or jointly contracted with a Safety Net Hospital or a Community Health Center, with limited exceptions, such as those whose recruitment was "in-process" prior to the merger. Additionally,

BILH may not solicit any department of a Safety Net Hospital for employment during the Access Period.

Grant Thornton did not observe any evidence BILH actively solicited for hire a physician or department of a Safety Net Hospital or a Community Health Center. Overall, Grant Thornton did not discover any evidence of noncompliance with AOD terms related to hiring.

- **E – CHCs and SNAs: Non-Financial –** The AOD contains several requirements relating to BILH's CHC and SNA partners. BILH must renew its affiliation agreements on substantially similar terms and maintain the clinical services currently offered by affiliates which existed as of the Filing Date. Additionally, BILH must work collaboratively with CHCs and SNAs to perform needs assessments, regional planning, and investment and support planning. The AOD requires that BILH assist the SNAs with co-branding and marketing efforts as well as the recruitment of Primary Care Providers ("PCPs"), should they request it, and specifies additional requirements for Joint Contracting SNAs which are detailed further in this report.

  Grant Thornton notes no evidence of noncompliance with requirements pertaining to non-financial commitments for CHCs and SNAs. Agreements renewed during the period appear to be on substantially similar terms, clinical programs have been maintained, collaborative planning has been initiated, and the BILH affiliates have been given access to PCP recruiting assistance and co-branding. BILH appears to have met all requirements related to Joint Contracting SNAs.

- **F – Behavioral Health Investments –** The AOD requires BILH to invest at least $16.9 million to develop and expand comprehensive behavioral health services throughout the Access Period. The AOD states that the investment shall prioritize the behavioral health requirements set forth in Paragraphs 120-122.

  Grant Thornton reviewed support for cumulative investments made in behavioral health through the reporting period, however, there is no determination of compliance required for behavioral health investments at this time.

- **G – Behavioral Health: Non-Financial –** The AOD provides several requirements related to behavioral health access that BILH must meet within two to five years of the Closing Date and continuing for the remainder of the Access Period. The AOD requires BILH to extend and implement the IMPACT Model (also referred to as the "Collaborative Care" model) to 50% of BILH Primary Care Practices within three years and to 100% within five years of the Closing Date, and to perform a study of the feasibility of expanding the IMPACT Model to the CHC Affiliates within two years of the Closing Date. The AOD also requires BILH to extend the Centralized Bed Management ("CBM") program to all hospitals and facilities with inpatient behavioral health services, and enhance the status of the Medication Assisted Treatment ("MAT") program/bridge clinics.

  Grant Thornton assessed BILH's progress towards compliance through discussions with BILH behavioral health management as well as analysis of documents provided by BILH. There is no determination of compliance required by AOD Paragraphs 120 and 122 at this time. A determination will be made in a subsequent report.

  BILH has met the requirement set forth in Paragraph 121 for extending the CBM Program to all BILH Hospitals and other BILH Facilities that provide inpatient behavioral health treatment within three years of the Closing Date. Grant Thornton will continue to monitor BILH's compliance with this requirement through the end of the Access Period.

- **H – Governance –** The AOD requires that BILH aim to increase diversity among the BILH board members and the boards of its First Tier Affiliates in the areas of race, gender, socioeconomics, and geographic representation. Additional requirements call on BILH to include community health advocates on its board who are experienced at serving the needs of underserved and uninsured or government-payer populations in the BILH service area.

  Review of board meeting materials, other documents, and discussions with BILH Management indicated ongoing efforts toward actively improving diversity among the BILH System board and First Tier Affiliate boards. As the AOD does not specify a time by which these requirements must be completed, there is no determination of compliance at this time.

  I – DPH and AGO Reports – The AOD requires BILH to provide the AGO with copies of any reports it submits to the Department of Public Health ("DPH") as a condition of the Determination of Need approval ("DoN"). Additionally, BILH must provide to the AGO annual reports related to BILH's targeted cost savings as a result of the elimination of redundant operations, improved efficiencies related to patient care, shifting community-appropriate care to higher value sites of care, and the cost savings actually achieved during the reporting period for each of the respective reports. BILH must also identify the creation, elimination, and/or consolidation of any clinical, administrative, financial, or other operations during the reporting period and the locations impacted. Finally, the AOD requires BILH to provide to the AGO a report detailing its plan to have all BILH Providers apply to participate in MassHealth within eighteen months of the Filing Date.

  Grant Thornton received documentation from BILH demonstrating no reports were required to be submitted to the DPH in the current reporting period. BILH also confirmed the sharing of the required targeted cost savings and MassHealth participation reports with the AGO. As such, Grant Thornton observed no evidence of noncompliance by BILH with the requirements of the AOD related to the DPH and AGO reports.

- **J – Other Testing Areas –** The AOD requires BILH to provide the AGO with annual reports detailing its analysis of patient encounters at BILH facilities, the number of patients covered by Risk Contracts, risk patient encounters at BILH and non-BILH providers, physicians employed by or jointly contracted with BILH, and BILH annual revenue. Additionally, for the four year period beginning one year after the Closing Date, BILH must provide an annual report to the AGO detailing the employment or joint contracting of any PCP who, immediately prior to affiliating with BILH, was employed by or jointly contracted with a Safety Net Hospital prior to the PCP joining BILH.

  Grant Thornton received documentation from BILH confirming the sharing of the required annual report under Paragraph 132 with the AGO. No other reports were required to be submitted to the AGO in the current reporting period. Grant Thornton did not observe any evidence of noncompliance with the requirements of the AOD related to Other Testing Areas.

Finally, we would like to acknowledge that we received cooperation during the performance of our work from management and staff with whom we interacted at BILH, CHCs, and SNAs.

V. BACKGROUND AND ENGAGEMENT APPROACH

A. Background

In July 2017, Lahey Health System, Inc., CareGroup, Inc., and Seacoast Regional Heath Systems, Inc. signed an agreement to become corporately affiliated and agreed to the formation of a new corporate entity to be called Beth Israel Lahey Health. [52]

- Lahey Health System, Inc. was the parent of Lahey Clinic Hospital, Inc.; Northeast Hospital Corporation d/b/a Beverly Hospital, Addison Gilbert Hospital, and BayRidge Hospital; and Winchester Hospital.
- CareGroup, Inc. was the parent of Beth Israel Deaconess Medical Center, Inc., which includes Beth Israel Deaconess Hospital-Milton, Beth Israel Deaconess Hospital-Needham, and Beth Israel Deaconess Hospital-Plymouth, New England Baptist Hospital, and Mount Auburn Hospital.
- Seacoast Regional Health Systems, Inc. was the parent of Anna Jaques Hospital.[53]

In October 2017, the parties' affiliated contracting networks, Beth Israel Deaconess Care Organization ("BIDCO"), Lahey Clinical Performance Network ("LCPN"), and Mount Auburn Cambridge Independent Practice Association ("MACIPA") also signed an affiliation agreement that BILH would create a clinically-integrated network that would own BIDCO, LCPN, and Lahey Clinical Performance Accountable Care Organization ("ACO"), to be called Beth Israel Lahey Health Performance Network ("BILHPN"). MACIPA participates in the network but remains corporately independent. [54]

On November 29, 2018, the AGO and BILH reached a resolution to mitigate concerns about the impact of the merger on competition, health care costs, and health care access in Massachusetts. BILH agreed to abide by the AOD, which includes a series of enforceable conditions to be tracked and verified on an annual basis by a third party monitor to ensure compliance with the terms for the ten (10) years.

B. BILH Overview

BILH is a health system comprised of academic medical centers, teaching hospitals, an orthopedic hospital, primary care and specialty care providers, ambulatory surgery centers, urgent care centers, community hospitals, specialty hospitals, homecare services, behavioral health services, and addiction treatment programs. Together, the BILH network brings together more than 4,000 physicians and 35,000 employees in a shared mission to expand access to care and advance the science and practice of medicine.[55]

BILH currently functions under an organizational structure and operating model driven by four interconnected domains to design meaningful partnerships across organizations, care settings, specialties, and geographies to ensure patients receive the care they need in communities where they live and work. The four domains are: (i)

[52] Massachusetts Health Policy Commission Cost and Market Impact Review – Final Report dated September 27, 2018, p.1.
[53] Determination of Need Application, "NEWCO-17082413-TO," amended and approved by the DPH, October 2018.
[54] Massachusetts Health Policy Commission Cost and Market Impact Review – Final Report dated September 27, 2018, p.8.
[55] About BIDMC via *https://www.bidmc.org/about-bidmc* accessed June 14, 2021.

physician enterprise, (ii) hospital and ambulatory services group, (iii) population health enterprise, and (iv) network of administrative and operational system-level support services.[56]

Effective as of the Closing Date, the BILH health system is comprised of BILH as the system parent, and its First Tier Affiliates, and all of their related health centers and hospitals:

First Tier Affiliates:[57]

- Anna Jaques Hospital
- Beth Israel Deaconess Medical Center, Inc. ("BIDMC")[58]
- Beth Israel Deaconess Hospital – Milton
- Beth Israel Deaconess Hospital – Needham
- Beth Israel Deaconess Hospital – Plymouth
- Lahey Clinic Foundation, Inc.[59]
- Mount Auburn Hospital
- New England Baptist Hospital ("NEBH")
- Northeast Hospital Corporation[60]
- Northeast Behavioral Health Corporation
- Winchester Hospital

The BILH health system also includes several affiliated heath centers and hospitals located throughout Eastern Massachusetts:

Community Health Centers ("CHC Affiliate" or "CHCs"):[61]

- Bowdoin Street Health Center, Inc. (under the BIDMC license)
- Fenway Community Health Center, Inc.
- South Cove Community Health, Inc.
- Dimock Community Health, Inc.
- Charles River Community Health, Inc.
- Outer Cape Health Services, Inc.

Safety Net Affiliates ("SNAs"):[62]

- Cambridge Health Alliance ("CHA")
- Lawrence General Hospital ("LGH")
- Signature Healthcare Brockton Hospital ("SHC")

[56] BILH Announces Organizational Structure and Members of Senior Leadership Team via *https://www.bilh.org/in-the-news/2019/2/7/beth-israel-lahey-health-merger-clears-final-approval-with-conditions* accessed June 14, 2021.
[57] AOD Exhibit A.
[58] CareGroup, Inc. will merge into BIDMC (AOD Exhibit A).
[59] Lahey Health System, Inc. will merge into Lahey Clinic Foundation, Inc.; which is currently and will remain the sole member of Lahey Clinic, Inc. and Lahey Clinic Hospital, Inc. (AOD Exhibit A).
[60] Northeast Hospital Corporation includes Beverly Hospital, Addison Gilbert Hospital, BayRidge Hospital, Lahey Outpatient Center, Danvers, Lahey Health Behavioral Services and Lahey Health Senior Care. Beverly Hospital About Us via *https://www.beverlyhospital.org/about-us* accessed June 14, 2021.
[61] AOD Par. 23.
[62] AOD Par. 63.

C. Engagement Approach

i. Procedures overview

The execution of our scope-of-work, which is presented in its entirety in Exhibit 1, included the following broad procedures during phases 1 and 2:

- Gaining an understanding of BILH's initial baselines (e.g., payer contracts, existing clinical services, physicians, MassHealth participation, etc.).
- Gaining an understanding of the BILH health system organizational, governance, risk, and management structures.
- Reading and evaluating relevant policies and regulations related to our scope of work.
- Gaining an understanding of and evaluating BILH's financial performance.
- Understanding relevant aspects of the BILH Performance Network.
- Evaluating and testing relevant processes and operations (clinical, administrative, financial, etc.) related to our scope of work and how they have evolved.
- Analyzing relevant reports and supporting documentation.
- Analyzing BILH contracts (e.g., payer, risk, etc.) related to our scope.
- Gaining an understanding of and evaluating relevant marketing and advertising programs.
- Interviewing relevant BILH employees.
- Holding discussions with representatives from the AGO.

Grant Thornton utilized various testing techniques to obtain insight into BILH's processes, procedures, and strategies addressing the requirements in the AOD. In response to each of the requirements, Grant Thornton assessed whether BILH complied with each requirement during the current reporting period.

VI. FINDINGS BY SCOPE OF WORK AREA

A. Price Constraint

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD enumerates in Paragraphs 72-89 various requirements for price constraints that BILH must comply with during the first seven years following the Closing Date, a period defined as the Price Constraint Period. The requirements apply to those commercial Payers which comprise at least 90% of the BILH's commercial revenue, and associated contracts with those Payers being renegotiated to take effect during a fiscal year within the Price Constraint Period.

i. Price Constraint

a. Paragraphs 72-78[63]

Paragraphs 72-78 describe the Price Constraint mechanism outlined to "mitigate the growth of health care costs in the Commonwealth" [Paragraph 72], including the definition of key terms, requirements for contracts subject to the Price Constraint, key factors in setting these requirements, the mechanism to determine which payers are covered by the constraint, and the methodology for measuring compliance with the price constraints. Please refer to the specific AOD paragraphs for details of the requirements.
Date Due: Price Constraint Period (March 1, 2019 – February 28, 2026)

Testing Approach

The System-wide Price Constraint, as defined in Paragraph 76, is set at the Health Care Cost Growth Benchmark ("HCCGB") in the calendar year the Payer contract in effect for those Contract Years is signed, minus 0.1%. Paragraph 73 specifies that, for any Contract Year of a Payer Contract executed on or after the Filing Date, the Commercial Unit Price Rate of Increase for Covered BILH Providers agreed to in any Payer Contract with any Covered Commercial Payer shall not be greater than the System-wide Price Constraint.

The Massachusetts Health Policy Commission ("HPC") has set the HCCGB for the years 2018-2022 at 3.1%.[64] BILH must ensure the Commercial Unit Price Rate of Increase, calculated on an annual aggregated basis across all Covered BILH Providers, does not exceed the System-wide Price Constraint. Compliance with the System-wide Price Constraint is measured prospectively at the time the contract is signed.

Grant Thornton obtained a table of Fiscal Year 2020 Net Patient Service Revenue ("NPSR") by Payer, as prepared by BILH. NPSR is the revenue a hospital would expect to collect for services provided less contractual allowances, as contained in the hospital's financial statements and as reported by the hospital to CHIA.[65] Grant Thornton agreed total revenue to the audited financial statements of the relevant entities. No further testing of the NPSR by provider or Payer was conducted. From this analysis, Grant Thornton determined that Blue Cross Blue Shield of Massachusetts, Inc. ("BCBS"); Harvard Pilgrim Health Care, Inc. ("HPHC"); Tufts Associated Health Maintenance Organization, Inc. /Total Health Plan, Inc. ("Tufts"); United Healthcare of New England, Inc. ("United"); CIGNA Healthcare of

[63] AOD Par. 72-78.
[64] Health Care Cost Growth Benchmark, via https://www.mass.gov/info-details/health-care-cost-growth-benchmark#benchmark-overview-, accessed June 7, 2021.
[65] AOD Par. 56.

Massachusetts, Inc. ("Cigna"); Aetna Health Inc. ("Aetna"); and Fallon Community Health Plan, Inc. ("Fallon") together represent 92.5% of BILH's total NPSR. These Payers are consistent with those listed in Paragraph 78(a) and represent the Covered Commercial Payers as of September 30, 2020. There were no additions or departures of Payers from this list between the October 1, 2019 and September 30, 2020.

BILH also provided exhibits which identified Allways Health Partners, the Payer entity controlled by Partners HealthCare ("Partners"), as a Vertically Integrated Payer, per the definition included in Paragraph 78(c)(i), which states that Vertically Integrated means "a relationship between a Payer and a Health Care System where a Health Care System controls, is controlled by, or is under common control with a Payer, whether by corporate membership, equity ownership, or otherwise."[66] Grant Thornton analyzed the following criteria:

- Common control – There is common corporate control between the Partners provider entities and the Partners insurance entities.
- Market share – Per the Fiscal Year 2020 Center for Health Information Analysis ("CHIA") report on Massachusetts Acute Hospital and Health System Financial Performance, Partners maintains a 24.7% market share of acute care hospital NPSR.[67]
- Service locations – Based on a review of the public website of Partners, the organization has service locations in the counties identified in Paragraph 78(c).

As a Vertically Integrated Payer, Allways Health Partners was excluded from the price constraint analysis. No other Vertically Integrated Payers were identified by BILH.

Additionally, as part of testing for Paragraphs 72-78, Grant Thornton reviewed and performed a reconciliation of a managed care contract inventory provided by BILH. Grant Thornton identified the following thirteen Commercial Contracts with an effective date between October 1, 2019 and September 30, 2020 as requiring review for compliance with the requirements of the Price Constraint:

- Beth Israel Deaconess Care Organazation ("BIDCO") – Aetna
- BIDCO – Cigna
- BIDCO – Fallon
- BIDCO – Tufts
- BIDMC – Aetna
- BIDMC – Cigna
- BID Milton – Aetna
- Lahey Health Physician: Northeast Medical Practice ("NMP") & Winchester Physician Associates ("WPA") – Aetna
- Lahey Clinical Performance Network ("LCPN") – BCBS
- LCPN – HPHC
- Mount Auburn Professional Services ("MAPS") – Aetna
- NEBH – United
- Winchester Hospital – United

[66] AOD Par. 78(c)(i).
[67] CHIA Annual Report on Massachusetts Acute Hospital and Health System Financial Performance, Fiscal Year 2020, via *https://www.chiamass.gov/hospital-financial-performance*, accessed June 7, 2021.

Grant Thornton notes no other Commercial Contracts required review for compliance with the requirements of the Price Constraint.

Subsequently, Grant Thornton analyzed base contracts, amendments, and financial and contract schedules related to each of the thirteen Commercial Contracts listed above. This analysis included:

1. Identification of contractual reimbursement terms. Based on the information provided, the fundamental reimbursement mechanism for each Commercial Contract is based on common fee-for-service methods (i.e., per diems, case rates, fee schedules, etc.). Additionally, four contracts (LCPN – BCBS, LCPN – HPHC, BIDCO – Tufts, and BIDCO – Fallon) contained Alternative Payment Methods supplementing the common fee-for-service reimbursement terms (i.e., risk payments, quality payments, infrastructure payments etc.).
2. Identification of the negotiated increase allowed for Uniform Price Changes by service category.
3. Grant Thornton's analysis of the AOD Exhibit C Price Constraint worksheets prepared by BILH for each Commercial Contract included validating acceptance by BILH and Payer of Baseline Revenue, the Uniform Price Changes for various categories of service, Projected Revenue, and the aggregate Commercial Unit Price Rate of Increase. "Exhibit C" is BILH's formal summary of "Alternative calculation of the Commercial Unit Price Rate of Increase with Baseline Revenue of most recently completed Contract Year" and "…of trailing twelve-month period," included in the AOD.

Based on the predecessor agreement information and the summation of the Projected Revenue, BILH calculated price increases for various services categories within inpatient and outpatient service groupings where applicable for each of the 13 Commercial Contracts. The information provided, and consistent with Grant Thornton's testing, indicated the Commercial Unit Price Rate of Increase for each contract was equal to or below the 3.0% System-wide Price Constraint limit established by the AOD.

Result

Grant Thornton testing identified the Covered Commercial Payers consistent with the terms of the AOD. Based on the distribution of revenues, the list of Covered Commercial Payers represented 92.5% of BILH's total NPSR, as indicated above. No additional Payers were included as Covered Commercial Payers.

Grant Thornton identified thirteen Commercial Contracts required review for compliance with the requirements of the Price Constraint Based on the aforementioned testing and analysis on the terms of these contracts, Grant Thornton did not observe instances of non-compliance with the System-wide Price Constraint. No other Commercial Contracts required review for compliance with the requirements of the Price Constraint.

Grant Thornton notes no instances of noncompliance with the conditions of Paragraphs 72-78 of the AOD.

b. Paragraphs 79-80[68]

Paragraph 79 of the AOD outlines Price Constraint requirements "if a health care provider becomes a Covered BILH Provider during the Price Constraint Period…" while Paragraph 80 outlines requirements "if a provider departs BILH during the Price Constraint Period…" In the respective paragraphs, the AOD outlines how to calculate the Commercial Unit Price increase based on the change that occurred.
Date Due: Price Constraint Period (March 1, 2019 – February 28, 2026).

Testing Approach
Grant Thornton requested full provider rosters from BILH, inclusive of facilities and individual physicians. Based on the information provided, no facilities joined or exited BILH between the October 1, 2019 and September 30, 2020. While some physician providers were recruited to BILH, these physicians joined BILH and "accessed" the existing managed care contracts (Commercial and Medicare Advantage).

Result
Based on the information provided, there were no additions or deletions to BILH that were impacted by the requirements in Paragraphs 79 and 80. As such, Grant Thornton notes no instances of noncompliance with these paragraphs.

c. Paragraph 81[69]

Paragraph 81 outlines the procedure that should be utilized to complete revenue projections "[if] BILH and a Covered Commercial Payer agree to a change in Unit Price or a Uniform Price change…occurs during a Contract Year".
Date Due: Price Constraint Period (March 1, 2019 – February 28, 2026).

Testing Approach
For this testing period, Grant Thornton identified thirteen Commercial Contracts renegotiated with an effective date between October 1, 2019 and September 30, 2020 requiring review for compliance with the requirements of the System-wide Price Constraint. As noted previously, all thirteen contracts complied with the System-wide Price Constraint. One contract, LCPN – BCBS, initiated a Uniform Price increase during the Contract Year and utilized the weighted average method described in Paragraph 81.

[68] AOD Par. 79-80.
[69] AOD Par. 81.

Result
Grant Thornton observed that one contract initiated during the contract year under the Uniform Price Increase utilized the weighted average method described in Paragraph 81. No other contracts utilized this weighted average method.

Grant Thornton notes no instances of noncompliance with the conditions of Paragraph 81 of the AOD.

d. Paragraph 82[70]

Paragraph 82 outlines approaches to compliance with the Price Constraint in the event that "BILH and a Covered Commercial Payer [enter] into an agreement that provides payment for a Commercial Health Insurance Product to BILH or a Covered BILH Provider through one or more Alternative Payment Methods…".
Date Due: Price Constraint Period (March 1, 2019 – February 28, 2026).

Testing Approach
For this testing period, Grant Thornton identified thirteen Commercial Contracts with an effective date between October 1, 2019 and September 30, 2020 requiring review for compliance with the requirements of the Price Constraint and Paragraph 82. Grant Thornton reviewed the terms of these contracts and observed the fundamental reimbursement mechanism of each Commercial Contract is based on common fee-for-service methods. Additionally, Grant Thornton identified the following four contracts provided supplementary payments for a Commercial Health Insurance Product to BILH through Alternative Payment Methods: LCPN – BCBS, LCPN – HPHC, BIDCO – Tufts, and BIDCO – Fallon.

Result
Grant Thornton testing identified four Commercial Contracts provided payment for a Commercial Health Insurance Product to BILH through Alternative Payment Methods. Based on review of the terms of these contracts, Grant Thornton did not observe instances of non-compliance with the requirements of the Price Constraint and Paragraph 82. No other Commercial Contracts contained Alternative Payment Methods.

Grant Thornton notes no instances of noncompliance with the conditions of Paragraph 82 of the AOD.

[70] AOD Par. 82.

ii. Constraint on Managed Medicare Unit Price Payments and Alternative Payment Methods

a. Paragraphs 83-88[71]

> Paragraphs 83-88 outline the approach for demonstration of compliance with the Price Constraint related to the "negotiated rate of reimbursement to be paid to BILH or any Covered BILH provider in exchange for providing a specified health care service to an enrollee of a Covered Managed Medicare Payer's Managed Medicare Health Insurance Plan…"
> *Date Due:* Price Constraint Period (March 1, 2019 – February 28, 2026).

Testing Approach
Grant Thornton reviewed and performed a reconciliation of a managed care contract inventory provided by BILH. Grant Thornton identified the following seven Medicare Advantage Contracts with an effective date between October 1, 2019 and September 30, 2020 which require review for compliance with the the Managed Medicare Payment Constraint:

- BIDCO – Fallon
- BIDCO – Tufts
- LCPN – BCBS
- LCPN – HPHC
- Lahey Hospital and Medical Center ("LHMC") & Lahey Clinic, Inc. ("LCI") – Tufts
- MACIPA – Tufts
- Winchester Hospital – Fallon

Grant Thornton notes no other Medicare Advantage Contracts required review for compliance with the requirements of the Price Constraint.

Subsequently, Grant Thornton analyzed current and prior year contract agreements and amendments related to each of the seven Medicare Advantage Contracts listed above. This analysis consisted of: 1) validation of the presence of reimbursement provisions consistent with the AOD definition of Alternative Payment Methods and, 2) if a contract did not contain Alternative Payment Method reimbursement provisions, review of the current and prior period contractual reimbursement rates.

Based on the information provided, Grant Thornton validated that five contracts (LCPN – HPHC, BIDCO – Tufts, MACIPA – Tufts, LCI & LHMC – Tufts, and LCPN – BCBS) contained reimbursement provisions consistent with the AOD definition of Alternative Payment Methods. Per Paragraph 84 of the AOD, Grant Thornton did not evaluate these five contracts for compliance with the Managed Medicare Price Constraint. Rather, Grant Thornton evaluated these contracts for compliance with the Alternative Payment Method requirements outlined in Paragraph 89 on the following page.

Additionally, Grant Thornton observed two contracts, Winchester Hospital – Fallon and BIDCO – Fallon, did not contain Alternative Payment Method reimbursement terms. Rather, the fundamental reimbursement mechanism of these two contracts is based on common fee-for-service methods. As such, Grant Thornton reviewed the current and prior period

[71] AOD Par. 83-88.

contractual Managed Medicare Percent of Unit Price reimbursement rates for these two contracts.

The information provided, and consistent with Grant Thornton's testing, indicated there were no negotiated increases to the Managed Medicare Percent of Unit Price reimbursement rates for the Winchester Hospital – Fallon and BIDCO – Fallon contracts. As such, Grant Thornton observed the Managed Medicare Percent of Unit Prices for each contract did not exceed the Managed Medicare Payment Constraint limit established by the AOD.

Result
Grant Thornton testing identified seven Medicare Advantage Contracts required review for compliance with the Managed Medicare Payment Constraint. Based on the aforementioned testing and analysis on the terms of these contracts, Grant Thornton did not observe instances of non-compliance with the Managed Medicare Payment Constraint. No other Medicare Advantage Contracts required review for compliance with the requirements of the AOD.

Grant Thornton notes no instances of noncompliance with the conditions of Paragraphs 83-88 of the AOD.

b. Paragraph 89[72]

Paragraph 89 outlines the approach for demonstration of compliance with the Price Constraint related to Managed Medicare contract agreements which include Alternative Payment Methods.
Date Due: Price Constraint Period (March 1, 2019 – February 28, 2026).

Testing Approach
For this testing period, Grant Thornton identified seven Medicare Advantage Contracts with an effective date between the October 1, 2019 and September 30, 2020 requiring review for compliance with the Price Constraint and Paragraph 89. Grant Thornton reviewed the terms of these contracts and identified the following five Medicare Advantage Contracts include payments for a Managed Medicare Health Insurance Product to BILH through Alternative Payment Methods: BIDCO – Tufts Health Plan, LCPN – Blue Cross and Blue Shield of

[72] AOD Par. 89.

Massachusetts, LCPN – Harvard Pilgrim Health Care, LHMC & LCI – Tufts Health Plan, and MACIPA – Tufts Health Plan.

Result

Grant Thornton testing identified five Medicare Advantage Contracts provided payment for a Managed Medicare Health Insurance Product to BILH through Alternative Payment Methods. Based on review of the terms of these contracts, Grant Thornton did not observe instances of non-compliance with the requirements of Paragraph 89. No other Medicare Advantage Contracts contained Alternative Payment Methods.

Grant Thornton notes no instances of noncompliance with the conditions of Paragraph 89 of the AOD .

B. Substantially Similar Services

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD requires BILH to maintain access for the communities served by BILH Hospitals to substantially similar services as before the Closing Date. [73]

i. Clinical Services

a. Paragraph 91[74]

> Paragraph 91: "BILH shall maintain access for the communities served by BILH Hospitals to substantially similar clinical services as before the Closing Date."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2021), monitored annually.

Testing Approach

BILH, with Grant Thornton's feedback, distributed a Clinical Services Inventory Survey to 12 BILH hospitals and received responses from all 12 hospitals. The services included on the surveys were compiled from the Massachusetts Department of Public Health ("DPH") Hospital Licensure Regulation 105 CMR 130, supplemented with select services from the Medicare Hospital Cost Report as deemed necessary by BILH. Grant Thornton compared the list of services included on BILH's clinical services inventory survey to DPH Regulation 105 CMR 130, and notes that all services listed in the definitions of "Service" and "Essential Health Service" in DPH Regulation 105 CMR 130.020 were included on BILH's clinical services inventory survey.

On each survey, the hospitals were asked to answer "Yes" or "No" to questions related to the start or end of new and existing services between October 1, 2019 and September 30, 2020. Grant Thornton analyzed the survey responses and notes that no services existing as of the Closing Date were removed between October 1, 2019 and September 30, 2020. Four hospitals added one additional service each during the period.

Result

Based on review of supporting documentation and independent observation as described above, Grant Thornton finds no evidence of noncompliance by BILH with its obligation to maintain access for the communities served by BILH Hospitals to substantially similar services as before the Closing Date, as specified in Paragraph 91.

[73] AOD Par. 91.
[74] Ibid.

C. MassHealth

Summary provided for convenience of the reader. The language of the AOD prevails.

As stated in the AOD, BILH agreed to several provisions that either maintain or extend BILH participation in MassHealth over different time periods governed by the AOD. The AOD stipulates that all facilities and providers participating in MassHealth as of the Filing Date are expected to continue to do so throughout the term of the AOD, and BILH may not cap the number of MassHealth patients it collectively serves. BILH also agreed to make a good faith effort to have all physicians and other licensed providers apply to participate in MassHealth within three years of the Filing Date.

Additionally, BILH has agreed to target underserved populations by marketing, advertising and promoting access to BILH Providers participating in MassHealth in specific geographies in eastern Massachusetts and the Boston neighborhoods of Mission Hill, Roxbury, Dorchester and Mattapan.

i. MassHealth

a. Paragraphs 92-93[75]

Paragraph 92: "BILH Facilities participating in MassHealth as of the Filing Date shall maintain their participation in MassHealth indefinitely."
Date Due: Indefinitely, monitored annually.

Paragraph 93: "All health care providers employed by BILH who participate in MassHealth as of the Filing Date shall continue to participate in MassHealth so long as they are qualified to do so."
Date Due: Indefinitely, monitored annually.

Testing Approach

In its proposal submitted to the DPH as part of the Condition 9 requirement in its DoN, BILH established the definition it is using to calculate "participation" in MassHealth.[76] BILH management confirmed to Grant Thornton that this definition has been approved by DPH and has not changed for the current reporting period. In this proposal, BILH defines "application to participate in MassHealth" as follows:

- "For BILH Providers who are primary care providers. A provider that has applied to enroll as a billing provider in any one of the following MassHealth plan options: Accountable Care Organization (i.e., Accountable Care Partnership Plan or MCO-Administered ACO), Managed Care Organization, Primary Care Clinician Plan, and/or MassHealth Network.
- For BILH Providers who are specialists: A provider that has applied to enroll as a billing provider in any one of the following MassHealth plan options: Accountable Care Partnership Plan, Managed Care Organization, Primary Care Clinician Plan, and/or MassHealth Network."

[75] AOD Par. 92-93.
[76] BILH Proposal to the Massachusetts Department of Public Health Regarding Provider Participation in the MassHealth Program (Condition 10 Proposal), dated December 12, 2019.

Using this definition established for MassHealth participation, BILH created inventories of provider and facility participation as of September 30, 2019. In the current reporting period, Grant Thornton obtained attestations from BILHPN, MACIPA, NEPHO, and WINPHO confirming that all providers in their organizations are participating in MassHealth as of September 30, 2020. As such, Grant Thornton notes that all providers in the BILH system participating as of the Filing Date continue to participate as of year-end, and all locations of its hospitals and affiliate hospitals in the BILH system continue to participate as of year-end.

Result
Grant Thornton finds no evidence of noncompliance by BILH with Paragraphs 92 and 93 during this reporting period, which require BILH to maintain indefinitely the level of its providers and facilities participating in MassHealth as of the Filing Date. Grant Thornton will continue to evaluate BILH's MassHealth participation in future reporting periods.

b. Paragraph 94[77]

Paragraph 94: "BILH shall make a good faith effort to have all physicians and other licensed providers who are employed by BILH, and all other BILH Providers, apply to participate in MassHealth (if they are eligible for such participation) within three (3) years of the Filing Date."
Date Due: Within 3 years of Filing Date (November 29, 2021).

Testing Approach
In addition to the AOD, BILH must comply with an additional set of requirements for MassHealth participation in accordance with its DoN filed with the DPH. Condition 10 of the DoN requires BILH to "develop a plan for review and approval by the Department through which, within two years of the approval of the DoN, all employed physicians and other licensed providers who are authorized to participate in MassHealth, shall have applied to participate in MassHealth."[78]

Grant Thornton received an attestation signed by Nicole DeVita, Chief Operating Officer of BILHPN, and Katherine Record, Executive Director of Beth Israel Lahey Health Medicaid ACOs and Performance Network Compliance & Privacy Strategy, affirming that all providers employed by BILH or on behalf of whom BILHPN jointly contracts, have enrolled to accept at least one form of MassHealth as of October 1, 2020, or received a letter of termination from their respective physician organization/physician hospital organization, with a termination effective date of December 31, 2020. The attestation notes an exception for providers affiliated with MACIPA and with WINPHO who were granted a one-time BILHPN board approved extension to enroll to participate in one or more MassHealth products by October 30, 2020. Those providers who did not enroll in one or more MassHealth product by October 30, 2020 received a letter of termination from either MACIPA or WINPHO as of that date, effective December 31, 2020.

[77] AOD Par. 94.
[78] Determination of Need Application, "NEWCO-17082413-TO," amended and approved by the DPH, October 2018.

Based on discussions with BILH Management and confirmed through review of supporting attestations from each provider organization, Grant Thornton finds no evidence of noncompliance that all providers in the BILH system have applied to participate in MassHealth as of October 30, 2020, which is one year earlier than the AOD requirement to apply by November 29, 2021.

Result
Grant Thornton finds that by virtue of BILH's early completion of the DoN Condition 10 requirement, there is no evidence of noncompliance by BILH with the requirement in AOD Paragraph 94 that it make a good faith effort to have all physicians and licensed providers in the BILH system apply to participate in MassHealth within three years of the Filing Date.

c. Paragraph 95[79]

Paragraph 95: "Consistent with M.G.L. ch. 151B, § 4(10) and 130 CMR 450.202, BILH shall be prohibited indefinitely from capping the number of MassHealth patients it collectively serves."
Date Due: Indefinitely, monitored annually.

Testing Approach
During meetings with Grant Thornton, Peter Shorett, BILH's Chief Integration Officer, attested that there are no BILH policies placing a cap on the number of MassHealth patients that BILH serves, and that patient insurance status has no bearing on the access to services that a patient receives, whether they be commercially-insured or a MassHealth or governmentally-insured patient. This was confirmed in Grant Thornton's Year 1 testing through site visits to BILH patient access locations; however, such visits could not be conducted for Year 2 due to the ongoing COVID-19 pandemic. Grant Thornton found no evidence of a change in these policies during the reporting period.

Result
Grant Thornton observed no evidence that BILH placed caps on the number of MassHealth patients it serves, and as such, Grant Thornton finds no evidence of noncompliance with the requirement in Paragraph 95 between the October 1, 2019 and September 30, 2020.

[79] AOD Par. 95.

d. Paragraphs 96-97[80]

> Paragraph 96: "To increase the percentage of MassHealth patients in its payer mix, BILH shall create, implement and adequately fund a new program of marketing and advertising that targets underserved populations in specific geographies throughout Eastern Massachusetts and highlights and promotes access to BILH Providers for MassHealth patients. BILH, with input from the AGO, shall determine the scope and scale of such a program, as well as its geographic and demographic priorities."
> *Date Due:* Access Period, monitored annually.
>
> Paragraph 97: "As part of its efforts to serve MassHealth patients, NEBH shall create, implement and adequately fund a marketing, advertising and outreach program, including but not limited to the development of a multi-channel, micro-targeted campaign with a mix of transit advertising, print and digital advertising, and targeted outreach to housing developments (all utilizing multilingual messaging), focusing on the Boston neighborhoods of Mission Hill, Roxbury, Dorchester, and Mattapan."
> *Date Due:* Access Period, monitored annually.

Testing Approach

Due to the COVID-19 pandemic, per discussion with BILH management, all planned marketing efforts were suspended, including the broader marketing plan for expanding access to MassHealth (Paragraph 96) and NEBH's specific plan for expanding MassHealth access (Paragraph 97). As such, Grant Thornton makes no compliance determination for Paragraphs 96 and 97 for the current reporting ending September 30, 2020.

Refer to Grant Thornton's Year 1 report for BILH's previous progress towards the requirements in AOD Paragraphs 96 and 97.

Result

The AOD does not specify a time period for complying with these efforts, but does indicate BILH should seek input from the AGO. Grant Thornton will assess and report on these activities in future periods, and will indicate if and when the threshold has been met to meet these requirements. As such, no compliance determination is made at this time.

[80] AOD Par. 96-97.

D. CHCs, SNAs, and Community Investments / Hiring and Solicitation

Summary provided for convenience of the reader. The language of the AOD prevails.

In Paragraphs 98 and 99 of the AOD, BILH commits to maintaining historical funding to CHCs and SNAs of $40.96 million, while also agreeing to additional investments of $8.8 million in direct financial support. The AOD also calls for an additional $5 million in investments to expand access to health care within communities of color and low-income communities by establishing new collaborative relationships with CHCs and SNAs, including, but not limited to, those located in Gateway Municipalities and other underserved areas of eastern Massachusetts. The requirements for each investment category are separate and distinct. These investments must be made during the Access Period without reducing historical levels of support from BILH.[81]

Additionally, Paragraphs 103 and 104 of the AOD includes a focus on the hiring practices of BILH following the merger, with specific limitations on physician and department hiring from any Safety Net Hospital or Community Health Center to a BILH Hospital. BILH has agreed not to employ any Safety Net Hospital or Community Health Center PCPs who were employed or jointly-contracted by these entities as of the Filing Date, with some approved exceptions, within one year of the Closing Date. Similarly, BILH is prohibited by the AOD from soliciting the transfer of any departments from a Safety Net Hospital throughout the Access Period.

i. CHC and SNA Investments

a. Paragraphs 98-99[82]

Paragraph 98: "Consistent with the Transaction Parties' historical clinical and financial support for CHC Affiliates and Safety Net Affiliates, BILH shall fund and distribute at least $40.96 million in the aggregate to CHC Affiliates and Safety Net Affiliates during the Access Period, provided, however, that up to $1 million of such funds may be expended in the time period between the Filing Date and Closing Date. The distributions shall be made on a timely and reasonably consistent annual basis and shall not at any point fall below $4.096 million over any two-year period during the Access Period."
Date Due: Access Period (March 1, 2019 – February 28, 2027); Between Filing Date and Closing Date (November 29, 2018 - March 1, 2019); Initial two year period during the Access Period (March 1, 2019 – February 28, 2021)

Paragraph 99: "BILH shall also fund and distribute at least $8.8 million in additional direct financial support to CHC Affiliates and Safety Net Affiliates during the Access Period. The distribution of this $8.8 million shall (i) begin as soon as possible and, in any event, no later than two (2) years after the Closing Date, and (ii) continue on a timely and reasonably consistent basis throughout the Access Period and in accordance with planning processes described in Paragraphs 106(a) and 112(b). BILH shall not fund this $8.8 million from a reduction in other historical spending used to benefit underserved populations."
Date Due: Two years after Closing Date (March 1, 2021).

[81] AOD Par. 98.
[82] AOD Par. 98-99.

Testing Approach

Grant Thornton obtained an understanding of BILH's financial relationships and investments with CHCs and SNAs. During the current reporting period ending September 30, 2020, BILH provided direct financial support to the following CHCs: Charles River Community Health Center, The Dimock Center, Fenway Community Health Center, Outer Cape Health Services, and South Cove Community Health Center. Based on discussions with BILH's Vice President of Revenue Analysis & Regulatory Reporting, BILH's investments in SNAs are based, in part, out of agreements with hospitals in which BILH leases physician staff at subsized rates to SHC or the coverage of non-physician costs at LGH.[83] [84] Further, as part of its investments, BILH absorbs the losses of the operations of Bowdoin Street Health Center, a CHC under the license of BIDMC and department of BILH.[85] BILH also provided two internal transfers to Bowdoin Street Outreach.

The financial relationships between BILH and the CHCs and SNAs are listed in the table below.

Organization	Type	Form of Support
Charles River Community Health Center	CHC	Direct payment support
The Dimock Center	CHC	Direct payment support
Fenway Community Health Center	CHC	Direct payment support
Outer Cape Health Services	CHC	Direct payment support
South Cove Community Health Center	CHC	Direct payment support
Bowdoin Street Health Center	CHC	BILH schedule outlining absorption of loss
Bowdoin Street Outreach	CHC	General Ledger/Journal Entries
Cambridge Health Alliance[86]	SNA	Direct payment as prescribed by Donor Commitment Agreement
Lawrence General Hospital	SNA	Direct payment to LGH for physicians shared with APG
Signature Healthcare	SNA	Direct support for clinical services

In Year 1, Grant Thornton obtained and analyzed leased physician agreements between Affiliated Physicians Group ("APG") and LGH, and between APG and SHC, to gain an understanding of the financial implications of contracts with respect to BILH's investment in SNAs. Grant Thornton also obtained a Donor Commitment Agreement between BIDMC and CHA.[87]

In the current reporting period, Grant Thornton tested the existence of the investments by agreeing the invoice and voucher documentation to the investment schedule provided by

[83] Affiliated Physicians Group/Lawrence General Hospital Leased Physicians Agreement, dated February 6, 2015.
[84] Affiliated Physicians Group/Signature Healthcare Medical Group Fourth Amended Leased Physicians Agreement, dated October 1, 2017.
[85] Bowdoin Clinic Revenue - Email from BILH (Attestation) dated April 7, 2020.
[86] BILH provided a Donation Commitment Agreement dated December 1, 2018 between BIDMC and CHA, which specifies a restricted cash donation of $200,000 per year the five year period following December 1, 2018. BILH provided a donation of $200,000 to CHA in Fiscal Year 2019, however, BILH confirmed nothing was paid to CHA in Fiscal Year 2020.
[87] Cambridge Health Alliance Donor Commitment Agreement, dated December 1, 2018.

BILH for the Scope Period. For purposes of tracking BILH investments in CHCs and SNAs, payments are tabulated on a Cash Basis. Payments are considered part of BILH's investment in CHCs and SNAs once paid, not as of the invoice date.

With respect to Bowdoin Street Health Center, Grant Thornton analyzed a series of related financial schedules provided by BILH that depict excess expenses over revenue for periods analyzed (October 1, 2019 to September 30, 2020). The primary schedule was generated from BIDMC's financial systems, and displayed gross patient service revenues and direct expenses (e.g., salaries, supplies, etc.) for the cost centers that comprise the Bowdoin Street Health Center.

Net revenue information from BILH's decision support system provided inpatient and outpatient net revenue for BIDMC. BIDMC also provided an itemized list of net revenue for various outpatient services, the sum of which agreed to the total outpatient net revenues.[88] BILH provided additional net revenue detail for services provided at the Bowdoin Street Health Center, the sum of which agreed to the amount shown for the clinic on the itemized list of outpatient services.[89] BILH's Senior Decision Support Analyst attested that net revenue for services provided at the clinic were not recorded elsewhere within BIDMC.[90] No further testing was performed on net revenue.

BILH allocated three categories of BIDMC overhead to the clinic, and did not to allocate other categories of overhead costs that are more hospital-centric and are less related to the operation of a clinic.

BIDMC Overhead Allocations to the Bowdoin Street Clinic	
Included	**Excluded**
Fringe Benefits Admitting and Billing Hospital Administration	Facilities Maintenance and repairs Cleaning services Food and dietary Social services Central services/supplies

BILH allocated costs to Bowdoin Street Health Center by multiplying the respective unit cost multiplier for each overhead category from BIDMC's Fiscal Year 2019 Medicare Cost Report by the allocation metric for each overhead category.[91] Grant Thornton traced these amounts from the schedules prepared by BILH to BIDMC's Fiscal Year 2019 Medicare Cost Report and noted their agreement.

Based on the above testing for net revenue, direct expenses, and indirect expenses provided by BILH, Grant Thornton did not observe any discrepancies in its stated investment in Bowdoin Street Health Center for the periods analyzed.

[88] Bowdoin Street Health Center Financial Summaries for FY15-FY20.
[89] Ibid.
[90] Bowdoin Street Health Center Revenue - Email from BILH (Attestation), dated April 7, 2021.
[91] BIDMC Fiscal Year 2019 Medicare Annual Cost Report.

Refer to Grant Thornton's Year 1 report for BILH's previous investments towards the requirements in AOD Paragraphs 98 and 99 for the time period between the Filing Date and September 30, 2019.

Result
There is no determination of compliance required by the AOD as of September 30, 2020. A determination will be made in a subsequent report.

Grant Thornton notes investments in CHCs and SNAs for the period October 1, 2019 and September 30, 2020 of $6,867,544, amounting to $11,377,042 total investment of the required $40.96 Million investment to be made toward CHCs and SNAs over the Access Period.

Total Investment Applicable during Access Period	
Time Period	**Investment Amount**
November 29, 2018 to February 28, 2019	1,000,000
March 1, 2019 to September 30, 2019	3,509,498
October 1, 2019 to September 30, 2020	6,867,544
Total Investment	**$11,377,042**

Grant Thornton notes BILH's contribution of $11,377,042 is in excess of the minimum biannual contribution of $4.96 million disbursed between the Filing Date through September 30, 2020.

ii. Community Investments

a. Paragraph 101[92]

Paragraph 101: "In addition to the financial obligations described in Paragraphs 98-99, BILH shall also fund and distribute at least $5 million in strategic investments during the Access Period to expand access to needed health care services for communities of color and low-income communities, including, but not limited to, by establishing new collaborative relationships with Community Health Centers located in Gateway Municipalities and other underserved areas. This $5 million shall not come from a reduction in other historical spending used by BILH to benefit underserved populations." *Date Due:* Access Period (March 1, 2019 – February 28, 2027).

Testing Approach
Grant Thornton conducted interviews with relevant BILH employees to understand the nature of discussions with CHCs in Gateway Municipalities and other underserved areas. In Year 1, Grant Thornton met with BILH's Chief Integration Officer, and the BILH Vice President of Revenue Analysis and Regulatory Reporting, who stated BILH is evaluating what portion of the $5 Million investment required by Paragraph 101 will go to one or more new health center relationships in Gateway Municipalities. BILH intends to use this mechanism to

[92] AOD Par. 101.

identify where opportunities for spending will be. Grant Thornton notes BILH did not distribute funds towards the $5 Million investment requirement in Year 1.

Grant Thornton requested and received invoices and general ledger detail with source descriptions to support the disbursement of funds by BILH to CHCs in Gateway Municipalities. Grant Thornton notes investments in CHCs in Gateway Municipalities for the period between October 1, 2019 and September 30, 2020 amount to $106,600, which count toward the $5 Million investment requirement set forth by the AOD.

Fiscal Year 2020		
Organization	**October 1, 2019 to September 30, 2020**	**Description**
Lowell Community Health Center	10,000	Lahey Hospital & Medical Center Community Benefits Grant
Lynn Community Health Center	12,500	Community Collaborative Grant
Lynn Community Health Center	22,500	Grant Award for the Comprehensive SUD Action Plan for Lynn: Moving Upstream on the Opioid Fight.
Lynn Shelter Association, Inc.	12,500	Fiscal Year 2020 Community Collaborative Grant - Connecting Homeless Clients to Workforce Development Opportunities.
Lynn Shelter Association, Inc.	27,500	Community Collaborative Grant - Workforce development
Merrimack Valley Food Bank, Inc. (Lowell)	11,600	Donation to Support Community Market
Mill City Grows (Lowell)	10,000	Community Partnership funding for emergency response programming
Total Investments	**$106,600**	

Result

There is no determination of compliance required by the AOD as of September 30, 2020. A determination will be made in a subsequent report.

Grant Thornton notes investments made toward CHCs in Gateway Municipalities for the period between October 1, 2019 and September 30, 2020, amounting to $106,600 toward the required $5 million investment to be made toward CHCs in Gateway Municipalities over the Access Period.

iii. Hiring

a. Paragraphs 103-104[93]

> Paragraph 103: "For a period of one year after the Closing Date, BILH shall not employ any PCP who as of the Filing Date is employed by or jointly contracted with (i) a Safety Net Hospital, or (ii) a Community Health Center, provided, however, that this "no hire" provision shall not apply:
>
> a. to a PCP who is employed by or jointly contracted with a hospital which is contractually affiliated with or owned by a Health Care System that has 10% or more statewide commercial market share by Net Patient Service Revenue, as calculated by CHIA for the prior fiscal year; or
>
> b. to any PCP with whom BILH has a non-disclosure agreement, letter of intent, or executed agreement already in place as of the Closing Date, provided further, however, that for any employment arrangement that would otherwise violate this provision but for this "in process" exception, BILH will provide the AGO and the HPC with evidence that negotiations over terms were already underway as of the Filing Date."
>
> *Date Due:* For a period of 1 year after the Closing Date (March 1, 2020).
>
> Paragraph 104: "During the Access Period, except with the assent of the hospital, BILH shall not solicit, or cause the solicitation, for employment any Department that is part of a Safety Net Hospital. For purposes of this paragraph, a "Department" shall mean all or a substantial majority of hospital medical staff in a clinical department or division, such that the departure of such a group of medical staff members would render the hospital incapable of continuing to provide that clinical service, including specialty and sub-specialty services."
>
> *Date Due:* Access Period (March 1, 2019 – February 28, 2027).

Testing Approach

Grant Thornton obtained physician hiring inventories provided by BILH of all PCPs, including those from Safety Net Hospitals and CHCs, hired or in the process of being hired during the period October 1, 2019 to March 1, 2020. These inventories included the PCPs' current or former employers, future employment location, date that hiring discussions were underway, and if and when employment began.

Based on review of these listings, no PCPs hired during the Year 2 reporting period violate the requirements in Paragraph 103. Additionally, Grant Thornton conducted interviews with leadership of BILH's Safety Net Affiliates to understand any departmental changes and physician transfers following the merger from an affiliate to a BILH facility, and the circumstances surrounding any such transfer. Based on discussion with these individuals, BILH did not actively solicit the physician transfers that occurred between October 1, 2019 and September 30, 2020.

The AOD's prohibition on hiring of PCPs employed by or jointly contracted by Safety Net Hospitals or Community Health Centers applies to the period of one year after the Closing Date. This requirement ended on March 1, 2020.

[93] AOD Par. 103-104.

As it relates to Paragraph 104 of the AOD, BILH confirmed in writing to Grant Thornton that it did not solicit or cause the solicitation of any Department that is part of a Safety Net Hospital during the period the hiring prohibition was in effect.

Result

Grant Thornton did not observe any evidence of BILH actively soliciting to hire a PCP or a department of a Safety Net Hospital or a Community Health Center between October 1, 2019 and September 30, 2020 as defined by the requirements of Paragraphs 103 and 104. As such, Grant Thornton notes no evidence of noncompliance with these Paragraphs as of September 30, 2020.

E. CHCs and SNAs: Non-Financial

Summary provided for convenience of the reader. The language of the AOD prevails.

In addition to financial commitments, the AOD also calls on BILH to make various operational commitments to its CHCs and SNAs. These include renewing CHC affiliation agreements on substantially similar terms to those in place at the Filing Date; involving the CHCs in collaborative planning for use of investments, business planning and regional community needs assessments; and expanding investments in health centers in specific areas of eastern Massachusetts.

Related specifically to SNAs, BILH shall assist with the recruitment of PCPs and specialists to their hospitals, and must offer its branding and marketing to the SNAs. BILH is also prohibited from employing PCPs employed or jointly contracted by Safety Net Hospitals or CHCs as of the Filing Date until the first anniversary of the Closing Date (with some exceptions permitted), and is not permitted to solicit the employment of a Safety Net Hospital department during the Access Period. BILH must also create a model for joint system and regional planning with SNAs, set mutually agreed upon priorities for investments, and include SNA personnel in meaningful planning of community needs assessments within one year of the Closing Date.

BILH must also refrain from various contracting activities with Joint Contracting SNAs, including incentivizing SNA physicians to move into risk-sharing arrangements with BILH Hospitals, treating referrals by CIN physicians to SNAs as leakage (or otherwise discouraging CIN physicians from referring to SNAs), or entering into contracts with reimbursement levels for SNAs that fall below thresholds defined in Paragraph 117. As defined in the AOD, a CIN is an entity, however named, that jointly negotiates contracts with Payers on behalf of BILH health care facilities and providers and contractual affiliates.[94]

i. Community Health Centers ("CHCs")

a. Paragraph 105[95]

> Paragraph 105: "BILH shall make good faith efforts to continue and renew affiliation agreements with the CHC Affiliates on substantially similar terms to those in place as of the Filing Date and in accordance with its financial obligations in Paragraphs 98-99. If a CHC Affiliate chooses to discontinue its affiliation with BILH, any obligation of BILH towards that CHC Affiliate under this Assurance, including financial obligations under Paragraphs 98-99, shall cease and any funds that BILH would have used to meet its financial obligations to that CHC Affiliate shall be reallocated towards BILH's other obligations under Paragraphs 98 or 99."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2027).

Testing Approach

Grant Thornton obtained the current Memorandum of Understanding ("MOU") for each CHC in effect as of September 30, 2020 and notes that between October 1, 2019 and September 30, 2020, all of the CHC affiliation agreements were renewed and remained in effect, and none were renewed on substantially different terms. All agreements contain consistent language with those in effect the prior year. There has been no reallocation of funds

[94] AOD Par. 95.
[95] AOD par. 105.

during October 1, 2019 to September 30, 2020, as all CHCs continued to hold active agreements with BILH during the year and no affiliations were discontinued.

Grant Thornton notes that while Outer Cape Health Services, a CHC affiliate of BILH, left the Community Care Alliance ("CCA") during the reporting period, BILH continues to hold an active MOU with the health center and maintains its relationship as of September 30, 2020.

Result
Grant Thornton notes no evidence of BILH's noncompliance with the requirement in Paragraph 105 that BILH renew its affiliation agreements with CHCs on "substantially similar terms," as new contracts were not executed during this reporting period. This requirement will be reassessed, as applicable, in subsequent reporting periods as affiliation agreements are renewed.

b. Paragraph 106[96]

Paragraph 106: "Within one (1) year of the Closing Date, and continuing throughout the Access Period:

a. BILH shall engage in a collaborative process with each CHC Affiliate to establish goals and priorities for BILH's investments in Community Health Centers, including new investments made pursuant to Paragraph 99; and

b. BILH shall ensure meaningful participation of personnel from the CHC Affiliates in regional clinical needs assessments and other relevant BILH business planning in the CHC Affiliates' service areas."

Date Due: Within 1 year of Closing Date (March 1, 2020), monitored annually.

Testing Approach
Grant Thornton obtained the amended and restated bylaws for the CCA, a committee consisting of each of the CHCs affiliated with BILH (Bowdoin Street Health Center, Charles River Community Health Center, The Dimock Center, Fenway Community Health Center, and South Cove Community Health Center), whose chief purpose is to facilitate an integrated network of health centers to deliver care to patients from primarily underserved or uninsured populations. The CCA has membership from both CHC representatives and BILH representatives. The CCA meets monthly and, based on meeting agendas, frequent topics discussed include community health needs assessments and the community health improvement plan and their implementation, as well as other community-based health initiatives and performance updates for the CHCs. Outer Cape Health Services, Inc., another CHC affiliate of BILH, left the CCA in 2019. However, BILH has continued to maintain its relationship with Outer Cape Health Services as of the date of this report.

Grant Thornton conducted interviews with the following individuals in order to obtain an understanding of their involvement in collaborative planning and needs assessments with BILH: Nancy Kasen, Vice President at BILH; Ellen LaPointe and Jane Powers of Fenway Community Health Center; Patricia Nadle and Terry Cote of Outer Cape Health Services; and Peter Gerondeau of the Dimock Center. Based on these interviews, there is evidence that the

[96] AOD Par. 106.

CHCs have engaged and continue to engage in collaboration with BILH. In interviews with Grant Thornton, CHC leaders stated that they have direct lines of communication with BILH leadership, and that BILH continues to make good faith efforts to meet the needs of the CHCs. BILH has continued to hold regular monthly meetings with the CCA and has included the CHCs in relevant BILH business planning. Additionally, BILH provided extensive support to its CHC Affiliates by sharing real-time access to BILH policies, processes, guidelines in response to the COVID-19 pandemic, as well as personal protective equipment, testing capabilities, and other resources.

Based on analysis of CCA meeting agendas and interviews with selected CHC management personnel, BILH has collaborated with CHCs on community health needs, and has mutually established metrics to be tracked by each CHC in order to improve quality in delivery of services that are relevant to each CHC's service area. The members of CHC leadership interviewed confirmed that these metrics are independent of the level of financial commitments made by BILH in each health center.

Result
Grant Thornton finds that BILH has satisfied AOD Paragraph 106 by complying with these requirements by the March 1, 2020 deadline and has continued to meet these requirements as of September 30, 2020. Compliance with these requirements must continue throughout the Access Period and will be reassessed in future periods.

c. Paragraph 107[97]

Paragraph 107: "Within two (2) years of the Closing Date, and continuing throughout the Access Period, BILH shall explore opportunities to expand clinical and financial support to additional Community Health Centers within the primary service areas of BILH Hospitals and hospitals who are Contractually-Affiliated Providers in Essex and Middlesex Counties."
Date Due: Two years from Closing Date (March 1, 2021), monitored annually.

Testing Approach
Based on discussion with BILH, BILH has begun the process of exploring opportunities with health centers in Essex and Middlesex Counties, but has not yet entered into any commitments related to this requirement.

Result
No compliance determination is being made with respect to Paragraph 107 at this time. This requirement will be reassessed following March 1, 2021.

[97] AOD Par. 107.

ii. Safety Net Affiliates ("SNAs")

a. Paragraph 108[98]

> Paragraph 108: "BILH shall make good faith efforts to continue and renew affiliation agreements with the Safety Net Affiliates on substantially similar terms to those in place as of the Filing Date and in accordance with its financial obligations in Paragraphs 98-99. However, if a Safety Net Affiliate chooses to discontinue its affiliation with BILH, any obligation of BILH towards that Safety Net Affiliate under this Assurance, including financial obligations under Paragraphs 98-99, shall cease. Further, any funds that BILH would have used to meet its financial obligations to that Safety Net Affiliate shall be reallocated towards BILH's other obligations under Paragraphs 92-122, including to programs and services addressing access for at-risk, underserved, uninsured and MassHealth patient populations and to Safety Net Hospitals that become contractually or clinically affiliated with BILH after the Filing Date. While such funds may be directed to sustaining or expanding BILH's participation in MassHealth ACO programs, they shall not be used to offset any losses from BILH's participation in the MassHealth program itself."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2021)

Testing Approach
During the reporting period, BILH's affiliation agreements with LGH and CHA did not change. However, BILH did renew the affiliation agreement with SHC during this period. Through analysis of the Signature Healthcare Clinical Affiliation Agreement in effect during the first reporting period (November 29, 2018 – September 30, 2019) and the Third Amended to the Clinical Affiliation Agreement dated May 28, 2020, Grant Thornton concluded that this affiliation agreement was renewed on substantially similar terms. Grant Thornton notes that any changes made to the agreement do not contradict the requirement in AOD Paragraph 108 that the agreements must be renewed on terms that are "substantially the same." Any changes included in this amendment either addressed compliance requirements specified by the AOD or did not constitute a substantial departure from terms in the previous agreement.

CHA, LGH, and SHC all had active affiliation agreements as of year-end, and Grant Thornton's interviews with management at each SNA were consistent with this. As such, the requirement related to the reallocation of financial obligations does not apply to the current reporting period.

Result
Grant Thornton observes that the SHC affiliation agreement renewed during the period between the October 1, 2019 and September 30, 2020 was renewed on substantially similar terms, and as such, notes no evidence of BILH's noncompliance with the requirements set forth in Paragraph 108.

[98] AOD Par. 108.

b. Paragraph 109[99]

> Paragraph 109: "BILH shall, in accordance with ongoing affiliation agreements, maintain the clinical programs that the Transaction Parties are supporting at Safety Net Affiliates as of the Filing Date, provided, however, that if in accordance with BILH's obligations set forth in Paragraphs 112(a) and 112(b), BILH and a Safety Net Affiliate agree to end or reduce a clinical program existing as of the Filing Date in favor of a different clinical program, such discontinuance or reduction shall not constitute a violation of this Paragraph 109 as long as the historical levels of financial support to the Safety Net Affiliates pursuant to Paragraph 98 are maintained."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2021)

Testing Approach
Grant Thornton obtained and analyzed a listing of services provided at each SNA, and observed that BILH has maintained the clinical programs in place as of the Filing Date at each of its SNAs, in accordance with Paragraph 109. No services were noted as being eliminated from any of the SNAs during the period between October 1, 2019 and September 30, 2020, and this was confirmed during interviews conducted with SNA leaders.

Result
Grant Thornton finds no evidence of noncompliance with the requirement in Paragraph 109 to maintain the clinical programs in place as of the Filing Date and supported by BILH at the SNA facilities.

c. Paragraph 110[100]

> Paragraph 110: "BILH shall assist Safety Net Affiliates with the recruitment of PCPs and specialists, and with efforts to increase the number of PCPs and specialists affiliated with the Safety Net Affiliates, based on shared programmatic priorities, as agreed to by those entities."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2021)

Testing Approach
Grant Thornton obtained the affiliation agreements for each of the SNAs, and notes that each affiliate contract contains provisions that reference options for joint physician recruiting with BILH, and that LGH's affiliation agreement with BILH contains extensive language devoted to recruiting. GT inquired during interviews with SNA leaders about the level of assistance with PCP recruitment provided by BILH to the SNAs. All confirmed that assistance is available, however, it is up to the SNA's discretion whether they choose to utilize it, and as such the level of PCP recruitment assistance provided to each SNA varies.

[99] AOD Par. 109.
[100] AOD Par. 110.

Result
Grant Thornton finds no evidence of noncompliance by BILH with the requirement in Paragraph 110 that it assist the SNAs in their recruitment of PCPs and specialists.

d. Paragraph 111[101]

> Paragraph 111: "BILH shall make the BILH brand and logo available to the Safety Net Affiliates for the purpose of overall hospital co-branding in signage, marketing, communications, and advertisement, as well as for targeted co-branding of clinical programs that have a sufficient degree of clinical integration with BILH (e.g., Signature Healthcare's Greene Cancer Care Center's affiliation with Beth Israel Deaconess Medical Center ("BIDMC")). Such co-branding shall follow clear and consistent guidelines developed by the BILH marketing and clinical teams, provided, however, that BILH shall also maintain flexibility to meet the needs of Safety Net Affiliates that choose to maintain co-branding with a specific legacy institution (e.g., BIDMC) rather than BILH."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2027).

Testing Approach
Grant Thornton obtained the most recent Clinical Affiliation Agreements between BIDMC, Havard Medical Faculty Physcians, and the SNAs (CHA, LGH, and SHC), noting that each agreement contains policies that require joint marketing plans to be developed collaboratively and mutually agreed upon by the parties, and each provides opportunities for co-branding strategies between the parties for clinical and academic programs and services. Further, Grant Thornton reviewed presentations delivered to each SNA during the reporting period on the potential co-branding and joint marketing initiatives to be undertaken during the current reporting period and in the future as part of the system affiliation exploration process between BILH and the SNAs.

Grant Thornton also discussed co-branding during interviews with SNA leaders to gain an understanding of co-branding initiatives that occurred during the reporting period, and any planned efforts for future periods..

Result
Grant Thornton finds no evidence of noncompliance by BILH with the requirement in Paragraph 111, and notes that BILH has adequately made the BILH brand and logo available to the SNAs for the purpose of co-branding.

[101] AOD Par. 111.

e. Paragraph 112[102]

> Paragraph 112: "Within one (1) year of the Closing Date, and continuing throughout the Access Period:
>
> a. BILH shall establish a model for joint system and regional planning for the relevant regions within which each Safety Net Affiliate operates. This model shall ensure meaningful participation of personnel from the Safety Net Affiliates in (i) regional clinical needs assessments; (ii) planning for clinical service expansion or closure; (iii) opening, expanding, or closing facilities; and (iv) other relevant business planning in the Safety Net Affiliates' respective geographic regions.
>
> b. BILH shall determine with each Safety Net Affiliate a set of mutually agreed-upon priorities for investment, including new investments pursuant to Paragraph 99, in concert with ongoing affiliation agreements, except in such cases where mutually agreed-upon priorities have been previously defined with a Safety Net Affiliate.
>
> c. BILH shall ensure meaningful participation of personnel from the Safety Net Affiliates in community health needs assessments and program planning related to BILH's provision of Community Benefits in furtherance of its charitable mission in the relevant service areas of each Safety Net Affiliate; provided, however, that each Safety Net Affiliate is expected to maintain its own distinct Community Benefits program."
>
> *Date Due:* Within 1 year of Closing Date (March 1, 2020), and throughout Access Period.

Testing Approach

BILH has established a Regional Planning Framework with its SNAs, which divides its service area into three regions and specifies the following goals: "identify and address specific clinical needs and challenges in each clinical affiliate region; jointly develop and implement solutions with a focus on improving access and providing care in the most appropriate setting; and measure our joint success in accomplishing these goals."[103]

BILH continued to hold Steering Committee and Regional Planning meetings with its Safety Net Affiliates during the reporting period. Grant Thornton's analysis of meeting agendas and summaries indicate that these meetings included discussions regarding updates to clinical programs and opportunities for collaboration between the entities. Grant Thornton notes that regular meetings in 2020 were interrupted because of the COVID-19 pandemic, but that BILH met regularly and communicated frequently with the SNAs during the period on both COVID-19 related efforts as well as other regional planning and general collaboration efforts. To understand the SNAs' level of participation in this regional planning model, Grant Thornton interviewed the following SNA representatives: Dr. Gerald Steinberg, SVP of Network Development at CHA; Kim Keough, Chief Strategy Officer at CHA; Dr. David Drinkwater, SVP at SHC and President of SMG; and Deborah Wilson, Chief Executive Officer at LGH.

[102] AOD Par. 112.

[103] Clinical Affiliate Regional Planning Framework, handout presented at May 23, 2019 CHA Steering Committee Meeting.

Based on Grant Thornton's interviews conducted with SNA leadership, BILH has continued to comply with the requirements specified in Paragraphs 112(b) and 112(c) through collaboration and continued involvement in joint initiatives during the reporting period.

Result
Grant Thornton finds no evidence of noncompliance with the requirements in Paragraph 112(a). BILH has until March 1, 2020 to comply with Paragraphs 112(b) and 112(c), and as such, no determination of compliance is being made as of the date of this report.

iii. Joint Contracting Safety Net Affiliates

a. Paragraphs 113 & 118[104]

Paragraph 113: "BILH shall not require, encourage or otherwise affirmatively incent physicians in risk-sharing arrangements with Joint Contracting Safety Net Affiliates to move into a risk-sharing arrangement with any BILH Hospital."
Date Due: Access Period (March 1, 2019 – February 28, 2021)

Paragraph 118: "BILH shall offer Joint Contracting Safety Net Affiliates the option to participate in all CIN shared risk contracts."
Date Due: Access Period (March 1, 2019 – February 28, 2021)

Testing Approach
Grant Thornton obtained the Physician Organization Participation Agreement and Hospital Participation Agreements among BILHPN, BIDCO Physician LLC, and CHA and LGH (the "Joint Contracting SNAs"). The agreements enable all "physicians," as defined in the first paragraph of the Participation Agreement, to participate in Payer Contracts negotiated by BILHPN.[105] Section 2.4 (Jointly-Negotiated Payer Contracts) of the Hospital Participation Agreements sets forth BILHPN's role, as agent to each hospital, in negotiating and entering into jointly-negotiated payer contracts.[106]

Section 2.4.1 (Participation: Agency and Authority) provides: "Subject to the other provisions of this Agreement, and unless precluded from doing so by law, the Hospital hereby appoints BILHPN as the Hospital's agent for the purpose of negotiating, accepting, rejecting or entering into Jointly-Negotiated Payer Contracts on the Hospital's behalf, and on behalf of licensed professionals who are employed or otherwise affiliated with the Hospital. Except as expressly provided otherwise, the Hospital shall participate in, and be bound by all of the terms and conditions applicable to the Hospital, in each and every Jointly-Negotiated Payer Contract."[107]

[104] AOD Par. 113, 118.
[105] Physician Organization Participation Agreement, Beth Israel Lahey Performance Network, LLC, effective July 30, 2019.
[106] Hospital Participation Agreement. Beth Israel Lahey Health Performance Network, LLC.
[107] Ibid.

Section 2.4.2 (Clinical Integration) elaborates further that "The Hospital acknowledges that BILHPN intends to operate a clinical integration program approved by the BILHPN Board of Managers that is the basis for one or more Jointly-Negotiated Payer Contracts. BILHPN will describe the terms of its clinical integration program in various documents that BILHPN will make available to the Hospital."[108]

The above contracts meet the requirements of Paragraph 113 because BILHPN effectively becomes the sole negotiating entity for both the hospitals and Joint Contracting SNAs, and therefore BILH does not have the ability to incent Joint Contracting SNA physicians to move away from agreements with the SNAs and into agreements with a BILH Hospital. Further, Section 3.1 of the Hospital Participation Agreements requires that BILHPN use good faith efforts to include the hospitals in every Payer Contract, which places BILH Hospitals and the Joint Contracting SNAs in an equal position.[109]

The existence of these documents provide evidence of BILH's compliance with the requirement specified in AOD Paragraph 113 to not require or incentivize SNA physicians to move into risk-sharing agreements with a BILH hospital, as well as the requirement in AOD Paragraph 118 that the Joint Contracting SNAs are given the option to participate in shared risk contracts.

Additionally, through interviews with SNA leaders and discussion with BILH management, SNA leaders did not make Grant Thornton aware of BILH making active efforts to encourage any SNA physicians to change affiliations from an SNA hospital to a BILH Hospital. While there have been some instances of physician transfers from SNA hospitals, they have been communicated to and approved by the appropriate SNA.

Result
Grant Thornton finds no evidence of noncompliance by BILH with the requirements specified in both Paragraph 113 and Paragraph 118.

b. Paragraphs 114-115[110]

Paragraph 114: "BILH shall treat all referrals by CIN physicians to any CIN network hospitals (including the Joint Contracting Safety Net Affiliates) or CIN network physicians as "in-system" or "retained" (i.e., not leakage)."
Date Due: Access Period (March 1, 2019 – February 28, 2021)

Paragraph 115: "BILH shall not take any actions to discourage or dis-incentivize CIN physicians (regardless of their affiliation) from referring patients to the Joint Contracting Safety Net Affiliates, including but not limited to actions that discourage such referral through BILH's design and implementation of metrics measuring "leakage" or systems incentivizing referrals."
Date Due: Access Period (March 1, 2019 – February 28, 2021)

[108] Hospital Participation Agreement. Beth Israel Lahey Health Performance Network, LLC.
[109] Ibid.
[110] AOD Par. 114-115.

Testing Approach
BILH and BILHPN have established Participation Agreements with the Joint Contracting SNAs (CHA and LGH) that enable all physicians to participate in Payer Contracts negotiated by BILHPN (per Sections 2.4 and 2.4.1 of the Hospital Participation Agreements, referenced above). Through analysis of these agreements and discussions with BILH management, Grant Thornton acknowledges that by virtue of these Participation Agreements, all Physicians employed by the Joint Contracting SNAs are considered "in-system." BILH has also approved, through its BILHPN Board of Managers, a set of policies regarding in-network and out-of-network patient referrals. Written policies made available to the Grant Thornton team do not provide incentives or disincentives related to referrals between any BILHPN providers.

Result
BILH has taken measures to ensure that all CIN physicians within its network are treated as "in-network," and that BILH does not dis-incentivize CIN physicians from referring patients to Joint Contracting SNAs, as required by AOD Paragraph 114 and 115, respectively. As such, Grant Thornton finds no evidence of BILH's noncompliance with this component of the AOD.

c. Paragraph 116[111]

Paragraph 116: "BILH shall ensure that at least one member of the CIN Board of Managers shall be a representative from a Joint Contracting Safety Net Affiliate."
Date Due: Access Period (March 1, 2019 – February 28, 2021)

Testing Approach
Through discussions with BILH and the Joint Contracting SNAs, Grant Thornton established that a representative from CHA, the Senior Vice President of Network Development, is a current member of the BILHPN Board of Managers.

Result
Grant Thornton finds no evidence of noncompliance by BILH with the requirement in Paragraph 116.

[111] AOD Par. 116.

d. Paragraph 117[112]

> Paragraph 117: "BILH shall ensure that, when negotiating and implementing reimbursement rates, Joint Contracting Safety Net Affiliates and BILH Hospitals with a Statewide Relative Price of less than 0.85 as defined and calculated by CHIA, receive a rate increase no less than the Commercial Unit Price Rate of Increase for each Covered Commercial Payer as defined in paragraph 77(a)."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2021)

Testing Approach

BILH negotiated one new contract on behalf of the Joint Contracting SNAs (CHA and LGH) between October 1, 2019 and September 30, 2020: the BIDCO Tufts contract effective January 1, 2020 – December 31, 2021. Additionally, three contracts, including the BIDCO Tufts contract, were negotiated on behalf of other BILH Hospitals with a Statewide Relative Price ("S-RP") of less than 0.85. These contracts include BIDCO Tufts, NEBH United, and BID-Milton Aetna.

Rate increases associated with each contract were validated through testing performed in conjunction with Section A: Price Constraint. As such, BILH is in compliance with the requirement specified in AOD Paragraph 117 that, when negotiating and implementing reimbursement rates, Joint Contracting SNAs and BILH Hospitals with an S-RP of less than 0.85 receive a rate increase no less than the Commercial Unit Price Rate of Increase for each Covered Commercial Payer. BILH's compliance with this requirement will be reassessed as new contracts are negotiated.

Result

Grant Thornton finds no evidence of noncompliance by BILH with the requirement specified in Paragraph 117, and this requirement will be reassessed as new contracts are negotiated.

[112] AOD Par. 117.

F. Behavioral Health: Investments

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD provides several requirements related to behavioral health access with which BILH must comply within two to five years of the Closing Date and continuing through the remainder of the Access Period. The AOD requires BILH to invest at least $16.9 million to develop and expand comprehensive behavioral health services across the BILH system to enhance access to mental health and substance use disorder treatment. Further, the AOD states that the investment shall prioritize the behavioral health requirements set forth in Paragraphs 120-122 (see **Section G** of this report).

i. $16.9M Investment

a. Paragraph 119[113]

> Paragraph 119: "BILH shall create and fund through an investment of at least $16.9 million a comprehensive and integrated continuum of behavioral health services with multiple entry points that enhances access to mental health and substance use disorder treatment for patients across Eastern Massachusetts. BILH shall prioritize the initiatives set forth in Paragraphs 120-122 within that continuum. This $16.9 million shall not come from a reduction in other historical spending used by BILH to benefit underserved populations."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2027)

Testing Approach

Based on discussions with BILH behavioral health personnel, behavioral health investments between the Closing Date and September 30, 2020 were focused on the Collaborative Care Model ("CoCM") (also referred to as the IMPACT model), Centralized Bed Management ("CBM"), Medication Assisted Treatment ("MAT"), and NEBH Community Crisis Stabilization ("CCS") (refer to **Section G** below for additional information).

Grant Thornton obtained a summary investment schedule prepared by BILH detailing the cumulative investments made in behavioral health services in accordance with the requirements in AOD Paragraph 119 for the period March 1, 2019 to September 30, 2020. Grant Thornton requested additional supporting documentation to substantiate the investments reported by BILH, which upon review, consist primarily of salary and wage expenses for behavioral health services, related employee benefits, and supplies and services. Costs attributed to general and administrative overhead expenses were not counted toward the investment requirement in Paragraph 119, as overhead cannot be directly tied to costs incurred to enhance access to mental health and substance use disorder treatment.

BILH reported total investments in behavioral health services of $5,968,946 towards fulfilling the requirements of AOD Paragraph 119. Grant Thornton obtained supplementary support requests and performed testing to validate BILH's investments.

[113] AOD Par. 119.

Result
There is no determination of compliance required at this time. As described in paragraphs 120-122, BILH is not required to fund and distribute the $16.9 million behavioral health investment in the current reporting period. A determination will be made in a subsequent report.

Grant Thornton notes investments in Behavioral Health for the period between March 1, 2019 and September 30, 2020 amounts to $5,968,946 of the required $16.9 million investment to be made toward behavioral health services to enhance access to mental health and substance use disorder treatment.

G. Behavioral Health: Non-Financial

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD provides several requirements related to behavioral health access with which BILH must comply within two to five years of the Closing Date, and continuing for the remainder of the Access Period. The AOD requires BILH to extend and implement the IMPACT Model to all BILH Primary Care Practices, including hiring of additional behavioral health clinicians ("BHC"), consulting psychiatrists, and program supervisors. Additionally, the AOD requires BILH to extend the CBM Program and enhance access to MAT for patients with opioid disorders.

i. IMPACT Model – expansion and participation

a. Paragraph 120[114]

> Paragraph 120: "BILH shall extend the IMPACT Model to all BILH Primary Care Practices, including completion of the hiring of additional behavioral health clinicians, consulting psychiatrists, and program supervisors necessary for the implementation of the IMPACT Model. BILH shall undertake this expansion as soon as reasonably practicable after the Closing Date and, in any event, pursuant to the following timetable:
>
> a. Within three (3) years of the Closing Date, BILH shall extend the IMPACT Model to 50% of BILH Primary Care Practices where BILH employs the PCPs.
> b. Within five (5) years of the Closing Date and continuing through the remainder of the Access Period, BILH shall extend the IMPACT Model to 100% of BILH Primary Care Practices.
> c. In addition to the actions described above, within two (2) years of the Closing Date, BILH will perform a study of the feasibility of expanding the IMPACT Model to the CHC Affiliates."
>
> *Date Due:* (a) Within 3 years of Closing Date (March 1, 2022)*;* (b) Within 5 years of Closing Date (March 1, 2024)*;* (c) Within 2 years of Closing Date (March 1, 2021).

Testing Approach

Grant Thornton's testing approach focused on two different requirements: (1) extending and implementing the IMPACT model to BILH Primary Care Practices and (2) the feasibility of expanding the IMPACT Model to CHC Affiliates. Grant Thornton obtained an understanding of the current state of the IMPACT model and implementation process through discussion with the Executive Director of BILH Primary Care Behavioral Health Integration, as well as analysis of documentation.

Grant Thornton obtained and analyzed documentation related to the IMPACT model, including Collaborative Care Executive Committee meeting presentations regarding the expansion of the IMPACT model and additional logistics including implementation updates, future site onboarding, operational structure, and hiring updates. Grant Thornton also obtained a project timeline created by the BILH Collaborative Care Team outlining BILH's current progress and future plans for the expansion of the IMPACT model. This documentation provided evidence BILH is tracking its progress against its plan to expand the IMPACT model to all BILH Primary Care Practices.

[114] AOD Par. 120.

Further, Grant Thornton obtained a list of primary care practice sites who participated in the IMPACT model as of the Closing Date, September 30, 2019, and September 30, 2020. Refer to the table below outlining BILH's progress on implementing the IMPACT model in employed primary care practice sites as well as changes to the count of total employed primary care practice sites since the prior year based on site consolidations, additions and closures.

Primary Care Practice Site Participation in IMPACT Model					
Reporting Period	Year-end	Total Employed Practice sites[115]	New participation	Total participation	Total participation (%)
Closing Date	March 1, 2019	88	20	20	23%
Year 1	September 30, 2019	85	6	26	31%
Year 2	September 30, 2020	79	12	37	47%

Additionally, Grant Thornton held a discussion with the Executive Director of BILH Primary Care Behavioral Health Integration regarding the requirement that BILH perform a study of the feasibility of expanding the IMPACT model to CHC Affiliates. This individual represented that BILH has interviewed each CHC to gain an understanding of their workflows and the behavioral health services provided at each center.

Further, Grant Thornton obtained and analyzed documentation outlining BILH's approach and conclusion in determining feasibility and appropriateness to implement the IMPACT model at each CHC affiliate location. The feasibility study states, "the CHC affiliates all have a robust service delivery of primary care behavioral health integration. Additionally, each of the CHC affiliates operations goes beyond the elements of Collaborative Care (IMPACT model) by incorporating embedded psychiatry, care coordinators/community health workers, and specialty care. These elements far exceed the elements of the IMPACT model and provide a richer service delivery and a deeper integration of multidisciplinary expertise with primary care. Further, the CHC affiliates have systems in place (billing, finance, data) to support the integration, and more historically demonstrate an integrated culture. As a result, this feasibility study concludes there is no need to expand the IMPACT model into these organizations."[116]

Result
There is no determination of compliance required at this time. As described in Paragraph 120, BILH is not required to expand the IMPACT Model in the current reporting period.

[115] BILH added three new practices after the Closing Date and before September 30, 2020: (1) Beth Israel Deaconess HealthCare ("BIDHC") Seabrook; (2) BIDHC Plymouth (Resnick); and (3) BIDHC Quincy Square. BILH plans to implement the Collaborative Care Model in employed practice sites that were part of BILH on the Closing Date.
[116] Feasibility Study: On Expanding the IMPACT Model to Affiliated Community Health Centers dated January 2021, pages 3-4.

ii. Centralized Bed Management (CBM)

a. Paragraph 121[117]

> Paragraph 121: "BILH shall, within three (3) years of the Closing Date and continuing for the remainder of the Access Period, extend the Centralized Bed Management Program to all BILH Hospitals and other BILH Facilities that provide inpatient behavioral health treatment."
> *Date Due:* Within 3 years of Closing Date (March 1, 2022), monitored annually.

Testing Approach

Grant Thornton obtained an understanding of the current status of the implementation plan to expand the CBM Program through discussion with the Executive Director of BILH Primary Care Behavioral Health Integration, as well as analysis of documentation. Grant Thornton obtained and analyzed CBM Executive Committee meeting presentations regarding the expansion of the CBM Program and additional logistics including an implementation timeline, current admissions workflow, accomplishments, and next steps.

Grant Thornton also obtained a report outlining BILH's process, outcomes, and lessons learned in the implementation of CBM during fiscal year 2020. The report notes the CBM initiative is geared at accomplishing four strategic aims including, improving access to behavioral health beds for patients, maximizing the utilization of behavioral health beds, providing services to the Emergency Department, and reducing Emergency Department boarding.

Additionally, the report notes the implementation plan was temporarily paused during the onset of COVID-19. On March 30, 2020, BILH implemented a temporary CCS unit at the NEBH (i.e., operational for 30 days). A daily huddle was established with representatives from the system's emergency departments and behavioral health units to identify appropriate patients to the Baptist CCS, which continued as "CBM Huddles" once the Baptist CCS unit was closed. Further, BILH states, "the huddles continued because they evolved into meeting the strategic aims of Centralized Bed Management and have incorporated reviews of bed availability and discharge planning, behavioral health volume throughout the system, and identification of placement opportunities for difficult to place patients through high level discussion of clinical and logistical barriers. Additionally, bed utilization across the system remains at capacity. Given this, we firmly believe that the BILH Bed Management Huddle meets the Attorney General's Assurance of Discontinuance and meets our strategic aims."[118]

Based on these discussions and documents, BILH has met the requirement for extending the CBM Program to all BILH Hospitals and other BILH Facilities that provide inpatient behavioral health treatment within three years of the Closing Date. Grant Thornton will continue to monitor BILH's compliance with this requirement through the end of the Access Period.

[117] AOD Par. 121.
[118] BILH Centralized Bed Management Response dated April 2021, page 11.

Result
BILH has met the requirement set forth in Paragraph 121 to extend the CBM Program to all BILH Hospitals and Facilities that provide inpatient behavioral health treatment through the BILH Bed Management Huddles, ahead of the three year anniversary of the Closing Date.

iii. Bridge Clinics/MAT

a. Paragraph 122[119]

Paragraph 122: "BILH shall, within two (2) years of the Closing Date and continuing for the remainder of the Access Period, invest in initiatives to enhance access to MAT for patients with opioid use disorders, including (i) expansion of Bridge Clinics to additional BILH Hospitals and (ii) expansion of same-day admission programs for MAT patients." *Date Due:* Within 2 years of Closing Date (March 1, 2021), monitored annually.

Testing Approach
As of September 30, 2019, BILH stated that three Bridge Clinics existed within BILH, in which patients with opioid use disorder could access same day enrollment in a MAT program. BILH confirmed no new Bridge Clinics were added during the period between October 1, 2019 and September 30, 2020.BILH provided a summary outline of recent progress and future plans for expansion of same-day admission for MAT programs within BILH. The information notes that BILH Behavioral Services expanded access to opioid use disorder treatment by connecting eligible patients in the emergency department with recovery coaches and clinical staff who assess their willingness and eligibility to begin medication for opioid addiction treatment.[120]

Based on discussions and documentation, BILH has increased access to behavioral health services, including access to opiod use disorder treatment and expansion of same-day admission programs for MAT patients.

Result
BILH has maintained existing Bridge Clinics and has invested in efforts to expand access to substance use disorder treatment. There is no determination of compliance required at this time.

[119] AOD Par. 122.
[120] BILH Plan for Extension/Expansion of MAT dated April 2021, pages 2-4.

H. Governance

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD provides several requirements related to the BILH general governance structure and the BILH Board of Trustees. The requirements agreed to by BILH are aimed at increasing diversity among the BILH board members and the boards of its First Tier Affiliates,[121] both for racial, gender, and socioeconomic diversity, as well as diversity of representation among BILH service areas. Additional requirements call on BILH to include community health advocates on its board who are experienced at serving the needs of underserved and uninsured or government-payer populations in the BILH service area.

i. BILH Board of Trustees

a. Paragraphs 123-125[122]

Paragraph 123: "BILH shall maintain and abide by governing documents, including Beth Israel Lahey Health, Inc.'s Bylaws and Articles of Organization, that reflect in the organization's charitable purposes (i) a core commitment to meeting the health care, including behavioral health, needs of at-risk, underserved, uninsured and government payer patient populations throughout the Commonwealth and (ii) a core commitment to diversity and geographic representation from within the service areas of the Safety Net Affiliates."
Date Due: Access Period (March 1, 2019 – February 28, 2021), monitored annually.

Paragraph 124: "BILH shall include within the membership of Beth Israel Lahey Health, Inc.'s Board of Trustees a community healthcare leader and/or advocate who is experienced in addressing healthcare access for at-risk, underserved, uninsured and government payer patient populations in the Commonwealth."
Date Due: Access Period (March 1, 2019 – February 28, 2021), monitored annually.

Paragraph 125: "BILH shall incorporate into its governance structure, including Beth Israel Lahey Health, Inc.'s Board of Trustees and each First Tier Affiliate's Board of Trustees, a commitment to (i) membership diversity, including but not limited to racial, gender and socioeconomic diversity and (ii) geographic representation from within the BILH (or First Tier Affiliate, as applicable) service area."
Date Due: Access Period (March 1, 2019 – February 28, 2021), monitored annually.

Testing Approach

Based on Grant Thornton's analysis of BILH's Internal Revenue Service Form 990 for the year ending September 30, 2019, we note BILH did not receive any contributions or receivables from its Board of Trustees. Additionally, BILH Board Chair Ann-Ellen Hornidge provided Grant Thornton with a statement asserting that the BILH Board of Trustees "does not require its members to make financial contributions, including philanthropic donations, to BILH or any of its subsidiaries as a condition of board membership." Grant Thornton finds that this policy allows for socioeconomic diversity on the Board because it does not prevent

[121] "First Tier Affiliate" means Anna Jaques Hospital, BIDMC, Beth Israel Deaconess-Milton, Beth Israel Deaconess-Needham, Beth Israel Deaconess-Plymouth, Lahey, Mount Auburn Hospital, New England Baptist Hospital, Northeast Hospital Corporation, Northeast Behavioral Health Corporation, and Winchester Hospital (AOD Exhibit A).
[122] AOD Par. 123-125.

potential members who are unable to make a financial contribution from being appointed. As such, BILH's assertion that no minimum financial contribution requirement exists as a prerequisite for membership on the Board appears to be reasonable.

Grant Thornton obtained and analyzed the Bylaws of BILH and notes BILH has included the following as its purpose, set out in Section 1.1 of its Articles of Amendment filed with the Commonwealth of Massachusetts: "…maintaining a core commitment to (i) meeting the health care, including behavioral health, needs of at-risk, underserved, uninsured and government payer patient populations throughout the Commonwealth; and (ii) diversity and geographic representation from within the service areas of its affiliated safety net hospitals, Lawrence General Hospital, Cambridge Health Alliance, and Signature Healthcare Brockton Hospital…"[123]

Furthermore, BILH states its policy for ensuring geographic representation from each of its service areas on its Board for the initial period following the merger in Section 3.1.2.1 of the Bylaws as follows: six trustees from Lahey, six trustees from BIDMC, one trustee from NEBH, one trustee from Mount Auburn Hospital, and six "independent trustees" having no prior affiliation with BILH.[124]

Grant Thornton also obtained and analyzed BILH's Articles of Amendment dated June 7, 2019, and notes that amendments to Article II relate to BILH's formation "to maintain and operate charitable hospitals and services associated with charitable hospitals," and that the Corporation "shall develop, provide and maintain, for the benefit of patients, patient families, employers, commercial payers, public payers, and the Commonwealth, a transformative, competitive model of care that provides the highest quality care in settings that are lower cost, clinically appropriate and both accessible and convenient to and for patients and their families."[125]

Upon review of the BILH Bylaws dated June 5, 2020, Grant Thornton notes there are no updates or edits to the relevant paragraphs of the BILH Bylaws related to Paragraph 123. Per review of the Massachusetts Secretary of State's website, the Articles of Amendment dated June 7, 2019, are the most up to date Articles of Amendment available. As such, Grant Thornton notes no changes, updates, edits to the BILH bylaws or Board diversity policies for the Year 2 testing period.

Grant Thornton obtained and reviewed meeting minutes and other materials related to BILH Board of Trustees meetings and subcommittee meetings held during the reporting period to gain an understanding of the efforts and initiatives undertaken by BILH toward furthering its compliance with Paragraphs 123, 124, and 125. Specifically, Grant Thornton noted steps taken by the BILH Board to promote diversity among its Trustees at the BILH System level and at the First Tier Affiliate Board level.

BILH convened a Governance and Nominating Committee retreat to re-affirm BILH's commitment to diversity and outline best practices in the trustee nominating process for both the BILH System Board and First Tier Affiliate Boards. After the departure of a BILH Board

[123] Bylaws of Beth Israel Lahey Health, Inc., dated June 7, 2019.
[124] Ibid.
[125] Beth Israel Lahey Health, Inc., Articles of Amendment Pursuant to M.G.L. Chapter 180, § 7.

Trustee, a new Trustee Search Committee was formed to identify candidates meeting diversity requirements specified in the AOD. Additionally, the BILH Board of Trustees was actively involved in monitoring the work of the system-wide Diversity, Equity, and Inclusion Task Force which was created in June 2020.

Grant Thornton analyzed the biographies of all Trustees to understand their backgrounds with respect to racial, gender, and socioeconomic diversity and geographic representation in the BILH service area, as required by Paragraph 125. The Trustees are consistent with the BILH Bylaws in that they meet the requirements specified therein for representation from legacy BILH hospitals, and that gender distribution is essentially equal.

At Grant Thornton's request, BILH provided a memo that summarizes the background and demographics information of the members of BILH's Board of Trustees. The memorandum highlighted three persons on the Board whom BILH believes satisfy the AOD Paragraph 124 requirement that BILH includes on its Board persons who are "experienced in addressing healthcare access for at-risk, underserved, uninsured and government payer patient populations." Grant Thornton notes that this information is consistent with the BILH Board of Trustees website, and the three members each have experience consistent with the requirement of the AOD.

BILH stated that it did not assess the socioeconomic diversity of its Board members because they "do not have access to the personal finances of Board members, though we recognize that Board members are likely to be in the upper-middle to upper-income categories based on their professional positions." BILH Board Chair Ann-Ellen Hornidge provided Grant Thornton with a statement asserting that the BILH Board of Trustees "does not require its members to make financial contributions, including philanthropic donations, to BILH or any of its subsidiaries as a condition of board membership." Grant Thornton finds that this policy allows for socioeconomic diversity on the Board because it does not prevent potential members who are unable to make a financial contribution from being appointed.

In response to the departure of a BILH Board Trustee during the reporting period, BILH initiated a search committee for a new trustee with a focus on identifying and recruiting candidates who would continue to improve the diversity of the BILH Board of Trustees. A new trustee whose background and experience meet these diversity requirements was recruited during the reporting period, demonstrating BILH's ongoing commitment to Board membership diversity. This trustee formally began his position on the Board during Fiscal Year 2021, after September 30, 2020.

Result
Grant Thornton finds no evidence of noncompliance by BILH with the requirements set forth in Paragraphs 123-125, as relating to the BILH Board of Trustees.

ii. First Tier Affiliates' Board of Trustees

a. Paragraph 125[126]

> Paragraph 125: "BILH shall incorporate into its governance structure, including Beth Israel Lahey Health, Inc.'s Board of Trustees and each First Tier Affiliate's Board of Trustees, a commitment to (i) membership diversity, including but not limited to racial, gender and socioeconomic diversity and (ii) geographic representation from within the BILH (or First Tier Affiliate, as applicable) service area."
> *Date Due:* Access Period (March 1, 2019 – February 28, 2021), monitored annually.

Testing Approach

As of September 30, 2020, the First Tier Affiliates have not made changes to their respective governance structures that satisfy the diversity requirements in Paragraph 125. However, based on review of documentation provided to Grant Thornton as evidence of the First Tier Affiliates' diversity progress during the reporting period, the Boards are actively searching for candidates who increase diversity in ethnicity, gender, age, profession, and geographic representation, and some First Tier Affiliates have already identified or added new candidates for Trustees who will begin on October 1, 2020.

BILH provided a detailed update on the progress its First Tier Affiliates have made regarding their Board nominating and diversity efforts as of June 26, 2020, as well as a spreadsheet developed to track demographics statistics for each Board as of FY20 year-end. The demographics tracked for each Board are gender, race/ethnicity, and age and are tracked between lay members and ex officio members. According to BILH management, this is the first year the information was formally tracked and will serve as a baseline to compare progress going forward.

Result

The AOD does not provide a timeline for compliance with the requirements specified in Paragraph 125, and as such, Grant Thornton will continue to assess BILH's and the First Tier Affiliates' compliance with these requirements in future reporting periods.

[126] AOD Par. 125.

I. DPH and AGO Reports

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD indicates BILH must provide the AGO copies of any reports it shares with the DPH as a condition of the DoN.[127] Additionally, BILH agrees to provide annual reports to support BILH's targeted cost savings as a result of the elimination of redundant operations, improved efficiencies related to patient care, shifting community-appropriate care to higher value sites of care, and the cost savings actually achieved during the reporting period for each of the respective reports. BILH must also identify the creation, elimination, and/or consolidation of any clinical, administrative, financial, or other operations during the reporting period and the locations impacted.[128] Finally, BILH must submit a report to the AGO detailing its plan to have all BILH Providers apply to participate in MassHealth within eighteen months of the Filing Date.[129]

i. DPH and AGO Reports

a. Paragraph 128[130]

Paragraph 128: "Throughout the Monitoring Period, BILH shall provide the AGO copies of any reports that it provides to the Department of Public Health ("DPH") as a condition of the approval of the Determination of Need Application: NEWCO-17082413-TO, as amended on October 10, 2018, including but not limited to the reports required by Conditions 1, 2, 4, and 5. Such copies shall be provided to the AGO when BILH provides DPH with the report."
Date Due: Monitoring Period (March 1, 2019 – February 28, 2029).

Testing Approach

This paragraph was not applicable in this reporting period. Through discussion with BILH management it was noted that an extension to the DPH reporting timeline was verbally discussed and agreed upon by the DPH and BILH. As such, BILH will submit DoN reporting to DPH on June 30, 2021 and no reports were required to be provided to the DPH by BILH during the current reporting period.

Result

There is no determination of compliance for Paragraph 128 required at this time as no reports were provided to the DPH in the current reporting period. Grant Thornton will continue to assess BILH's compliance with the requirements of Paragraph 128 in future reporting periods.

[127] AOD Par. 128.
[128] AOD Par. 129.
[129] AOD Par. 130.
[130] AOD Par. 128.

b. Paragraph 129[131]

> Paragraph 129: "Throughout the Monitoring Period, BILH shall annually report to the AGO the following information and data:
>
> a. Analyses with supporting financial data detailing BILH's targeted cost savings, if any, as a result of the elimination of redundant operations; the cost savings actually achieved during the annual reporting period; and the total cost savings achieved in relation to the target.
>
> b. Analyses with supporting financial data detailing BILH's targeted cost savings, if any, as a result of improved efficiencies related to patient care; the cost savings actually achieved during the annual reporting period; and the total cost savings achieved in relation to the target.
>
> c. Analyses with supporting financial data detailing BILH's targeted cost savings, if any, due to shifting community-appropriate care to higher value sites of care; the cost savings actually achieved during the annual reporting period; and the total cost savings achieved in relation to the target.
>
> d. Information sufficient to identify the elimination of any existing clinical services or the creation of new clinical services during the annual reporting period and in total, including the locations impacted.
>
> e. Information sufficient to identify any clinical, administrative, financial, or other operations that have been consolidated during the annual reporting period and in total, including the locations impacted."
>
> *Date Due:* Monitoring Period (March 1, 2019 – February 28, 2029).

Testing Approach

BILH Management provided Grant Thornton with the "BILH Annual Report to the Massachusetts's Office of the Attorney General Provided Under Paragraph 129 of the Assurance of Discontinuance."[132] Grant Thornton obtained an email from BILH Management to the AGO with the Paragraph 129 report included as an attachment.[133] Based on this email, the Paragraph 129 report was provided to the AGO on January 15, 2020. Grant Thornton's testing of these reports was limited to the procedures described in the Scope of Work (see **Exhibit 1**).

Result

Grant Thornton notes BILH provided an analysis of targeted cost savings with respect to elimination of redundant operations, improved efficiencies, shifting community-appropriate care to higher value sites of care, elimination or creation of clinical services, and other consolidation of services (as referenced in AOD Paragraph 129 a-e) to the AGO on January 15, 2020 as required by the AOD. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 129 of the AOD.

[131] AOD Par. 129.

[132] BILH Annual Report to the Massachusetts's Office of the Attorney General Provided Under Paragraph 129 of the Assurance of Discontinuance.

[133] Paragraph 129 BILH Annual Report Submission – via Email of BILH Annual Report (Par. 129) to AGO.

c. Paragraph 130[134]

> Paragraph 130: "Within eighteen (18) months of the Filing Date, BILH shall submit a report to the AGO detailing its plan to have all BILH Providers apply to participate in MassHealth, pursuant to its obligations in Paragraph 94."
> *Date Due:* Within eighteen months of the Filing Date (May 29, 2020).

Testing Approach

BILH Management provided Grant Thornton with the "BILH Proposal to the Massachusetts Department of Public Health Regarding Provider Participation in the MassHealth Program".[135] Grant Thornton obtained an email from BILH Management to the AGO with the BILH MassHealth Participation Proposal included as an attachment.[136] Based on this email, the Paragraph 130 proposal was provided to the AGO on December 12, 2019, within the eighteen month period following the Filing Date. Grant Thornton's testing of these reports was limited to the procedures described in the Scope of Work (see **Exhibit 1**).

Result

Grant Thornton notes BILH provided a proposal outlining BILH's plan to have all BILH Providers apply to participate in MassHealth (as referenced in AOD Paragraph 130) to the AGO within the 18-month period following the Filing Date as required by the AOD. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 130 of the AOD.

[134] AOD Par. 130.
[135] BILH Proposal to the Massachusetts Department of Public Health Regarding Provider Participation in the MassHealth Program.
[136] BILH MassHealth Participation Proposal Submission– via Email of BILH Proposal (Par. 130) to AGO.

J. Other Testing Areas

Summary provided for convenience of the reader. The language of the AOD prevails.

The AOD indicates BILH must provide annual reports to the AGO in relation to analysis of patient encounters at BILH facilities, the number of patients covered by Risk Contracts, risk patient encounters at BILH and non-BILH providers, physicians employed by or jointly contracted with BILH, and BILH annual revenue.[137] Additionally, for the four year period beginning one year after the Closing Date, BILH must provide an annual report to the AGO detailing the employment or joint contracting of any PCP who, immediately prior to affiliating with BILH, was employed by or jointly contracted with a Safety Net Hospital prior to the PCP joining BILH.[138]

i. Other Testing Areas

a. Paragraph 132[139]

Paragraph 132: "Throughout the Monitoring Period, BILH shall annually report to the AGO the following information and data:

a. For all BILH Facilities, (i) the total number of patient encounters within each Service Line, and (ii) for each such patient encounter: the relevant Service Line; the Facility name; the payer category (i.e., Medicaid, Medicare or commercial); and the patient's zip code.

b. For all PCPs at BILH Primary Care Practices, the total number of patients covered by risk contracts, broken down by payer.

c. For BILH patients covered by risk contracts, (i) the total number of patient encounters with any BILH Provider, and (ii) the total number of patient encounters that are not with a BILH Provider, broken down by payer category (i.e., Medicaid, Medicare or commercial).

d. A list of all physicians who, during the prior year, became employed by BILH or began jointly contracting with BILH. For each such physician, the list shall identify: the physician's first and last name; practice name; practice location; provider identification number; specialty; date of affiliation; and the physician's previous employer and previous joint contracting affiliate, if different than the employer.

e. BILH annual revenue by payer, divided into categories for fee-for-service revenue, risk settlement revenue, and any other supplemental or quality payments, both in total and per member per month where applicable.

Date Due: Monitoring Period (March 1, 2019 – February 28, 2029)

[137] ADO Par. 132.
[138] AOD Par. 135.
[139] AOD Par. 132.

Testing Approach
BILH Management provided Grant Thornton with the "BILH Annual Report to the Massachusetts's Office of the Attorney General Provided Under Paragraph 132 of the Assurance of Discontinuance."[140] Grant Thornton obtained an email from BILH Management to the AGO with the Paragraph 132 report included as an attachment.[141] Based on this email, the Paragraph 132 report was provided to the AGO on January 15, 2020. Grant Thornton's testing of these reports was limited to the procedures described in the Scope of Work (see **Exhibit 1**).

Result
Grant Thornton notes BILH provided an analysis of patient encounters at BILH facilities, the number of patient covered by Risk Contracts, risk patient encounters at BILH and non-BILH providers, physicians employed by or jointly contracted with BILH, and BILH annual revenue (as referenced in AOD Paragraph 132 (a-e) to the AGO on January 15, 2020 as required by the AOD. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 132 of the AOD.

b. Paragraph 135[142]

Paragraph 135: "For the four-year period beginning one (1) year after the Closing Date, BILH shall provide an annual report to the AGO detailing the employment or joint contracting of any PCP who, immediately prior to affiliating with BILH, was employed by or jointly contracted with a Safety Net Hospital prior to the PCP joining BILH. The report should include details such as the PCP's first and last name; practice name; practice location; provider identification number; date of affiliation with BILH; and the identification of the PCP's prior affiliation."
Date Due: Four Year Period Beginning One Year after Closing Date (March 1, 2020 – March 1, 2024)

Testing Approach
This paragraph was not applicable in this reporting period. Pursuant to the AOD, for the four-year period beginning one year after the Closing Date of March 1, 2019 the Paragraph 135 report is due annually to the AGO. As such, the first submission of the Paragraph 135 report will be provided to the AGO in the Year 3 period of the monitorship.

Result
There is no determination of compliance for Paragraph 135 required at this time. Grant Thornton will assess BILH's compliance with the requirements of Paragraph 135 in future reporting periods.

[140] BILH Annual Report to the Massachusetts's Office of the Attorney General Provided Under Paragraph 132 of the Assurance of Discontinuance.
[141] Paragraph 132 BILH Annual Report Submission – via Email of BILH Annual Report (Par. 132) to AGO.
[142] AOD Par. 135.

EXHIBITS

Exhibit 1:

Scope of Work

This Attachment B applies to the letter describing the Services to be provided by Grant Thornton LLP ("Grant Thornton") to Beth Israel Lahey Health, Inc. ("BILH") dated April 24, 2019 and is part of this Agreement.
Grant Thornton notes that BILH is responsible for complying with the terms of the Assurance of Discontinuance ("AOD"). Grant Thornton will hold regular discussions with BILH management and the Massachusetts Attorney General's Office (the "AGO") to understand agreed-upon criteria in relation to the AOD.
The proposed procedures, analysis, and testing are based on our current understanding. As our understanding of the AOD and related conditions and factors evolve, Grant Thornton may have to undertake additional procedures not listed in the scope of work.
This Scope of Work applies to the second reporting year defined under the AOD, which will report on October 1, 2019 to September 30, 2020 ("Year 2). Grant Thornton may complete procedures for Year 3 (October 1, 2020 to September 30, 2021) concurrently with Year 2 procedures in the light of the timeline extension for Year 2 agreed to by BILH and the AGO.

Phase 1: Information Gathering & Preliminary Assessment

Expected Timeline: September 2020 – October 2020 (delayed for COVID-19)

I. Information Gathering

A. Make initial data requests to understand BILH financial, operational internal control and process aspects of the components of the AOD.
B. Conduct interviews with management and key BILH employees responsible for ensuring compliance.

II. Preliminary Analysis of Information

A. Analyze information received and gathered in Section I above and obtain an understanding of BILH's policies and processes for current state components of the AOD and how this information affects BILH's compliance with the AOD.
Obtain an understanding of BILH's proposed reports, schedules and supporting work papers that it will be producing periodically to demonstrate compliance.

III. Develop Initial Observations & Identify Additional Testing Areas

A. Based on the above, Grant Thornton will develop a proposed Scope of Work and associated budget within 90 days after the anniversary of the Closing Date (March 1, 2020), coordinating with the AGO as needed. (Per the AOD, the AGO shall have the authority to review and approve such proposal.) (NOTE: BILH and the AGO agreed to extend this deadline to October 1, 2020 to allow BILH to focus on COVID-19 preparedness.)
    i. Scope of Work will be adapted and refined based on conversations with BILH and feedback from the AGO until agreement is reached among Grant Thornton, AGO and BILH.
    ii. Testing within this Scope of Work may include:
        - Re-performance of BILH-provided deliverables that address AOD focus areas
        - Testing for integrity of BILH-provided deliverables

- Interview of BILH and non-BILH personnel, as needed, who may have pertinent information on AOD focus areas

iii. Grant Thornton will provide a fee estimate in coordination with the agreed-upon Scope of Work

B. Grant Thornton and BILH to discuss and agree upon a communication protocol. This may include the following:
   i. Grant Thornton to be informed on a timely basis of developments and plans that impact AOD focus areas, such as renegotiated or new payer contracts
   ii. Grant Thornton and BILH to meet throughout the year to discuss relevant issues and developments. Grant Thornton to communicate areas of concern as they arise, so that BILH has an opportunity to address areas of concern in a timely manner
   iii. Grant Thornton and BILH to agree on timing of procedures, which could include interim work to reduce work load and pressure at the end of the year
   iv. Grant Thornton to have access to BILH internal audit and compliance functions, through meetings and analysis of relevant reports (if necessary)
   v. Grant Thornton to have access to external auditors (if necessary)
   vi. Grant Thornton to have access to the audit committee and the board of directors
C. Grant Thornton and BILH to discuss and agree upon a reporting protocol. This may include the following:
   i. Discussion of issue identification prior to report issuance
   ii. Timing of Gant Thornton annual report issuance
D. Issuance of representation letter by BILH to Grant Thornton prior to the issuance of our annual report which will stipulate that BILH has provided all relevant information and access to Grant Thornton to make an informed assessment of the relevant focus areas of the AOD

Phase 2: Detailed Testing & Analysis

Expected Timeline: October 2020 – May 2021 (extended timeline for COVID-19)

To the extent data is available, preliminary work will be performed earlier in the timeline.

Based on the observations identified in Phase 1 and input from the AGO, Grant Thornton will perform detailed procedures pertinent to certain terms of the AOD, as described in further detail below. This section is designed to illustrate the general elements expected to be included in this component of the engagement. Areas of testing may include the following: As a result of the revised timeline for the Year 2 testing period, Grant Thornton may complete testing on items which fall into the Year 2 and Year 3 time periods for the sake of efficiency and effectiveness. Items not applicable to the Year 2 time period (October 1, 2019 to September 30, 2020) will not be included in the Year 2 report.

Requirement per AOD	Proposed Testing Approach
A. An assessment of whether BILH is in compliance with the System-wide Price Constraint as to each of the Covered Payers, as set forth in Paragraphs 72-89	Note: Please note that procedures for the second year report are focused on contracts which were executed during the BILH Fiscal Year (10/1/19 – 9/30/20). Testing may include contracts which are executed subsequent to the reporting period in an effort to ensure testing efficiency; review of these contracts will be included in the Year 3 report. • Obtain a schedule of payer revenues for the most recent 12 month period ending September 30, 2020, and agree to audited financial statements; schedule is expected to include medical insurers and managed behavioral health organizations, as applicable • Obtain and analyze a listing of commercial contracts by entity and by payer, including contract terms, expiration dates, and approximate revenues o Understand how revenue from Covered Payers fits into the BILH's overall payer mix, including revenues for managed behavioral health organizations o Understand BILH's identification of any payers excluded from the price constraint, based on the terms of the AOD o For contracts existing as of September 30, 2020, agree expiration dates to contracts or other supporting documentation. On an annual basis, determine if expected contracts scheduled for renewal are included in listing o Confirm contract renewal status o In the instance that BILH negotiates a new contract or contract renewal with a managed behavioral health organization, and in the instance that the Massachusetts Office of the Attorney General determines that the contract is material to BILH's compliance with the Price Constraint, Grant Thornton will review related documentation for consistency with the AOD o Perform other procedures, as necessary, to assess consistency with the AOD • Read any contracts that the Company negotiates or renegotiates during each fiscal year in order to obtain an understanding of the pricing structure. Note that this may include different rates or different pricing structures for each BILH provider. o Obtain and analyze price constraint worksheet and supporting documentation o Obtain and analyze alternate fee for service pricing vs. value based pricing terms provided by BILH to the payer, if appropriate • Obtain pricing worksheets for any contracts that the Company negotiates or renegotiates, with supporting work papers

Requirement per AOD	Proposed Testing Approach
	• Recalculate the pricing worksheet and agree relevant inputs to primary source documents • Perform other procedures, as necessary, to assess consistency with the AOD

B. BILH shall maintain access for the communities served by BILH Hospitals to substantially similar clinical services as before the Closing Date (see AOD paragraph 91)	Note: Please note that it is the expectation of Grant Thornton that assessment of consistency with paragraph 91 of the AOD will not evaluate sites of care which were altered in response to COVID, or sites of care which were temporarily closed between February and September of 2020 as a result of state mandates regarding COVID-19 containment efforts.
	• Understand and note services added by BILH during this period, including whether specific to COVID-19 and if expected to be permanent
	• Obtain from BILH an inventory of operating clinical service locations as of October 1, 2019 (fiscal year 2020 beginning) and as of September 30, 2020 (fiscal year 2020 ending)
	  o Identify changes in clinical service locations based on provided inventories
	  o Identify, via interview with BILH personnel, description of services provided at locations missing at FYE and determine if proximate alternatives exist or if services displaced or suspended because of BILH's COVID-19 response are expected to resume.
	• Interview the BILH employee(s) responsible for maintaining / understanding clinical services at BILH hospitals to better understand key changes in scope of service based on physician departures, program closures, or material changes in medical technology
	• Select two (2) to four (4) hospital/SNA/CHC leaders whom were not previously interviewed by Grant Thornton in the prior 2019 reporting period, to better understand the clinical services and how they have changed through the most recent 12 month period ending September 30, 2020

C. An Assessment of, and information and data sufficient to show, BILH's compliance with its Assurances concerning MassHealth-related access in Paragraphs 92-97	• Obtain supporting documentation of BILH Facilities and health care providers by Medicare number and NPI who have applied to participate in MassHealth as of September 30, 2020, and compare to the initial listing from prior 2019 testing period.
	• Inquire with BILH regarding progress against plan to have all physicians and licensed providers employed by BILH apply to participate in MassHealth (Note: AOD specifies that this must be completed by November 29, 2021)
	• Obtain and analyze BILH policies, if any, related to access of MassHealth patients (especially related to caps or immediate access, etc.); obtain and evaluate plans related to the establishment of a system wide patient access function, including policies which would impact access for MassHealth patients
	• Obtain and analyze the following marketing and advertising plans and programs created by BILH, including (if available):
	  o Programs focused on the Boston neighborhoods of Mission Hill, Roxbury, Dorchester, and Mattapan
	  o Programs focused on MassHealth enrollees
	  o General programs intended to outline access to care within the BILH provider network
	• Obtain general enrollment statistics and trends for MassHealth for markets in the BILH service area (such as the Monthly One Care Enrollment Reports)
	• Perform other procedures, as necessary, to assess consistency with the AOD

Requirement per AOD	Proposed Testing Approach

D. Financial data and descriptions reflecting BILH's financial investments during the annual reporting period in the CHC Affiliates and SNAs, how the investments have been used in communities of color and for low-income and other underserved populations, and hiring and solicitation as required in Paragraphs 98-99, 101, and 103-104	**CHCs and SNAs**
	• Interview, as necessary, the BILH employee(s) responsible for managing relationships with CHCs and SNAs to better understand the relationships and how investments are managed
	• Obtain an understanding of provider contracts or terms to better understand financial implications of any proposed transactions, including detailed understanding of negotiated risk-based contracts
	• Obtain from BILH the schedule(s) of investments, which shows historical support to CHCs and SNAs and was previously provided to the AGO
	  o Agree to General Ledger and/or audited financial statements
	• Obtain from BILH the schedule(s) of investments from October 1, 2019 through September 30, 2020
	  o Analyze supporting documentation of the relevant investments during each reporting period, which may include invoices, remittances, or loss calculations
	• Tabulate annual contributions during the Access Period
	  o Compare to total amount specified in the AOD, as well as to the minimum 2-year distribution requirement specified in the AOD
	• To the extent data is readily available, obtain and review documentation of COVID-19 support provided by BILH to CHCs and SNAs, along with CARES Act and/or FEMA funding offsets.
	
	Communities of color, low-income and other underserved populations
	• Obtain BILH's proposed plan and budget for investments to expand access for communities of color and low-income communities, including establishing relationships with CHCs in Gateway Municipalities (as defined by the Massachusetts legislature)
	  o Identify and understand the distributions from BILH to the above communities
	  o Conduct interviews with relevant BILH employees to understand the nature of discussions with CHCs in Gateway Municipalities
	  o Obtain an understanding of the budgeting process and source of funds related to these investments
	• Analyze BILH's quantification of spending in support of the above plan on an annual basis and assess relevant supporting documentation, as appropriate
	  o On an annual basis, track BILH's spending status against the $5M investment amount specified in the AOD
	  o Agree to General Ledger and/or audited financial statements
	
	Hiring and Solicitation
	• Acquire NPI numbers for PCPs hired from October 1, 2019 through February 28, 2020, along with documentation to determine where the PCPs previously held employment
	  o Agree to supporting documentation from Human Resources and/or physician privileging.
	  o Notify AGO of any identified PCPs who were hired within a year of the Closing Date (12 month period ending March 1, 2020) and for whom BILH applies the "in process" exemption of Paragraph 103(b) of the AOD
	• Perform selected interviews with BILH management and SNA employees to assess solicitation of SNA Departments, and obtain and analyze BILH solicitation policies, if any
	• Perform other procedures, as necessary, to assess consistency with the AOD

Requirement per AOD	Proposed Testing Approach

E. An assessment of, and information sufficient to show, BILH's compliance with its non-financial commitments to the CHC Affiliates, Safety Net Affiliates, and the Joint Contracting Safety Net Affiliates, as set forth in Paragraphs 105-118	**CHCs**
	• Obtain MOUs with CHCs in place as of September 30, 2020, and any new or renewed affiliation agreements entered into during the current year
	  o Obtain and assess information provided by BILH regarding whether renewed affiliation agreements are "substantially the same," or the reasons for any differences in the agreements (such as regulatory requirements)
	  o Obtain and assess information provided by BILH regarding any reallocation of funds, if applicable
	• Obtain documentation indicating CHC participation in collaborative planning efforts and participation in regional clinical needs assessments, if available (Note: The AOD requires this to begin within one year of the Closing Date, with a deadline of March 1, 2020)
	  o Obtain and analyze the Bylaws of the Community Care Alliance
	  o Obtain and analyze agendas and listing of participants for all meetings of the Community Care Alliance for the fiscal year ending September 30, 2020
	  o Compare listing of CHCs to the population of MOUs provided.
	  o Conduct interviews with 3 members of the Community Care Alliance to understand their participation in collaborative planning efforts
	• Inquire of BILH's efforts to explore opportunities to expand clinical and financial support with additional CHCs in Essex and Middlesex Counties and obtain supporting documentation; this may include conducting site visits and interviews with Essex and Middlesex County providers, if applicable (Note: The AOD requires this to begin within two years of the Closing Date, with a deadline of March 1, 2021.)
	  o Understand service geography and changes in market assumptions
	
	SNAs
	• Obtain affiliation agreements in place with SNAs as of September 30, 2020 and any new or renewed affiliation agreements entered into during the current fiscal year
	  o Obtain and assess information provided by BILH regarding whether renewed affiliation agreements are "substantially the same"
	  o Obtain and assess information provided by BILH regarding any reallocation of funds, if applicable
	• Document clinical programs in place with SNAs as of September 30, 2020 and monitor changes to clinical programs over time through agreements, interviews, and/or non-anonymous surveys
	  o To the extent clinical programs are discontinued or reduced, additional procedures will be performed, including potential site visits, interviews, and/or analyses
	• Obtain support of BILH assistance with PCP recruitment at SNAs through BILH documents, interviews, and/or non-anonymous surveys
	• Document use of BILH brand and logo by SNAs (photos, etc.) and obtain co-branding guidelines developed by the BILH marketing and clinical teams
	• Obtain support for model for joint system and regional planning via documents, interviews, and/or non-anonymous surveys, once established (Note: The AOD requires this to begin within 1 year of the Closing Date, with a deadline of March 1, 2020)
	  o Obtain and analyze agendas and listing of participants for all meetings of the SNA Steering Committee from the most recent 12 month period ending September 30, 2020

Requirement per AOD	Proposed Testing Approach
	○ Obtain and analyze agendas and listing of participants for any meetings of the regional planning committee from the most recent 12 month period ending September 30, 2020 ○ Conduct interviews with 3 members of the regional planning committee • Obtain and evaluate risk-sharing agreements with Joint Contracting SNAs, including: ○ Physician incentives ○ SNA reimbursement rates • Collect roster of SNA's and CIN contracts to identify SNA participation ○ Conduct interviews with CIN and SNA leaders to understand SNA non-participation in CIN contracts (if applicable) **Other** • Obtain an understanding of any referral policies. Evaluate referral relationships, practices and policies of CIN physicians and BILH facilities related to SNA patients • Obtain information on CIN Board of Managers to confirm the inclusion of a Joint Contracting SNA representative • Perform other procedures, as necessary, to assess consistency with the AOD
F. Financial data concerning BILH's investments during the reporting period to improve access to behavioral health as required in Paragraph 119 and a detailed explanation of how the investments have been used	• Obtain BILH's proposed plan and budget for investments in behavioral health services to enhance access to mental health and substance use disorder treatment ○ Identify and understand the distributions from BILH to the above services ○ Conduct interviews with relevant BILH employees responsible for coordination of these investments to understand BILH's plan and proposed process for making investments ○ Obtain an understanding of the budgeting process and source of funds related to these investments • Analyze BILH's quantification of spending in support of the above plan on an annual basis and assess relevant supporting documentation, as appropriate ○ On an annual basis, track BILH's spending status against the $16.9M investment amount specified in the AOD ○ Agree to General Ledger and/or audited financial statements • Perform other procedures, as necessary, to assess consistency with the AOD
G. An assessment of BILH's compliance with obligations relating to access to behavioral health services, as set forth in Paragraph 120-122	• Obtain meeting minutes or other records of discussions by the working groups, if applicable, that are considering the expansion of these behavioral health services • Interview administrators to understand the current structure of the behavioral health services and the IMPACT Model • Obtain a listing of PCPs as of September 30, 2020, including an indication of which PCPs participated in the IMPACT Model at that point in time • Obtain an updated listing of the practices currently using the IMPACT Model as of September 30, 2020, including supporting documentation (Note: The AOD requires the IMPACT Model to be extended to 50% of Primary Care Practices within 3 years of the Closing Date and 100% of the Primary Care Practices within 5 years of the Closing Date). This may include: ○ Documentation of physician trainings ○ Psychiatrist attestation(s) ○ Referrals made through the program • Obtain a copy of BILH's feasibility study for extending IMPACT Model to CHCs (Note: The AOD requires this to be completed within 2 years of the Closing Date) • Obtain any updates to the Centralized Bed Management Program plan and conduct interviews to assess progress against the plan (Note: The AOD requires this to be completed within 3 years of the Closing Date)

Requirement per AOD	Proposed Testing Approach

	• Track BILH investments related to access in MAT (Note: The AOD requires this to be completed within two years of the Closing Date, with a deadline of March 1, 2021)
	  o Obtain a listing of Bridge Clinics and supporting documentation related to any new or closed clinics through September 30, 2020. This may include evidence of its physical location and MAT patient enrollment
	  o Obtain any implementation plans for the expansion of MAT, if available
	• Perform other procedures, as necessary, to assess consistency with the AOD
	
	Note: *In cases where planning or implementation efforts were impacted by the COVID-19 pandemic, Grant Thornton will collaborate with BILH to refine testing procedures to accommodate.*

H. An assessment of BILH's compliance with the governance provisions, as set forth in Paragraphs 123-125	• On an annual basis, read relevant Form 990s and community benefit filings
	• Obtain BILH's Bylaws and Articles of Organization as of September 30, 2020
	  o Inquire with BILH and read applicable policies/bylaws to understand BILH's documentation of its commitment to membership diversity and geographic representation within its Board of Trustees and First Tier Affiliates' Board of Trustees
	  o On an annual basis, request and analyze any updates or edits to these
	• Obtain Board of Trustees and First Tier Affiliates' meeting minutes throughout each year
	• Analyze bios of the members of the Board of Trustees
	  o On an annual basis, obtain an updated list of Board of Trustees members, along with any bios for new members
	• Obtain documentation related to any existing communications between BILH and the AGO regarding Board membership
	• Inquire with BILH to understand any other activities undertaken related to its commitment to include diversity in its governance for both the BILH parent board and First Tier Affiliate boards
	• Perform other procedures, as necessary, to assess consistency with the AOD

I. BILH shall provide the AGO copies of any reports that it provides to the DPH. BILH shall annually report to the AGO targeted and actual cost savings and efficiencies (see AOD paragraphs 128, 129, 130 and 135).	• Obtain copies of any filings with the Department of Public Health that relate to AOD paragraph 128 • Obtain copies of any filings with the AGO that relate to AOD paragraph 129 • Obtain copies of any filings with the AGO that relate to AOD paragraph 130 • Obtain copies of any filings with the AGO that relate to AOD paragraph 135 Based on discussion with the AGO, Grant Thornton will not perform any testing on these filings. Rather, Grant Thornton will determine whether BILH made the filings and provided the filings to the AGO, and include this determination in the Monitor's report.
J. An assessment of any concerns presented to the Monitor by the AGO regarding BILH's compliance with this Assurance	As described in paragraphs 132 and 135 of the AOD, BILH shall annually report to the AGO data detailing total numbers of patients, and beginning 1 year after Closing Date (March 1, 2020), BILH shall annually report to the AGO certain employment of PCPs. Based on discussion with the AGO, Grant Thornton plans to perform the following: • Request confirmation of submission of required data. • Analyze data included in these reports and agree to supporting documentation, as needed. This shall not be included in the Monitor's report, although Grant Thornton will discuss any concerns raised by the analysis with both BILH and the AGO, if applicable.

Requirement per AOD	Proposed Testing Approach
	Any further assessment of any concerns will be handled as needed. Any assessments conducted by the Monitor in relation to this component of the AOD are not included in the initial budget. Beginning in October 2020, Grant Thornton will have a scheduled meeting with the AGO every other month. In March of 2021, Grant Thornton and the AGO will meet in person to discuss the progress of the monitoring engagement up to that point. Other meetings with the AGO may occur as necessary.

Phase 3: Reporting of Observations

Expected Timeline: June 2021

I. Obtain management's representation letter prior to issuance of the report
II. Draft report of observations of BILH's consistency with the AOD based on analyses performed
III. Issue report on or before June 30, 2021 for the fiscal year ending September 30, 2020
IV. Meet with the AGO to discuss the findings in the report within 60 days of providing the report

Note: This work plan is intended for the second reporting period (i.e. with the Monitor's report due by June 30, 2021). While related procedures are expected to be performed in subsequent years, a proposed scope of work will be developed annually, within 90 days of the anniversary of the Closing Date, for subsequent reporting periods. GT will consult with the AGO and solicit input from BILH each year as part of the process for determining the annual work plan.

Other Matters

The parties are entering into this agreement at a time when a state of national emergency has been declared and the nation is responding to the Coronavirus (COVID-19) pandemic. The parties agree that each will use all reasonable efforts to complete the Services as specified herein, so long as each can reasonably do so while also protecting the health, welfare, and safety of its professionals and the public, and abiding by emergency or regular executive orders, or changes in law mandated to address the pandemic. Neither party shall be liable for any delay or failure in performance (excluding payment for fees and expenses incurred) due to circumstances resulting from the pandemic which are beyond its reasonable control.

Grant Thornton

Exhibit 2:

Summary of AOD Compliance Due Dates and Compliance Periods

While many requirements in the AOD are required annually during specific periods of the Access Period or Monitoring Period, a subset of the requirements specify more specific timing than annual recurrence, and are summarized below.

AOD Reference Dates
Filing Date: November 29, 2018
Closing Date: March 1, 2019
Price Constraint Period: March 1, 2019 – February 28, 2026
Access Period: March 1, 2019 – February 28, 2027
Monitoring Period: March 1, 2019 – February 28, 2029

Note – Highlighted rows indicate the requirement is applicable to the current reporting period.
Summary provided for convenience of the reader, where discrepancies with the AOD exist, the language of the AOD prevails.

Section	AOD Requirement	Time Periods and Due Dates
72-89	7-year price constraint	Price Constraint Period, annual compliance
90	Access to Health Care Services	Access Period
91	BILH to maintain access for communities served by BILH hospitals to substantially similar clinical services as before the Closing Date.	Access Period, annual compliance
92	BILH Facilities participating in Mass Health as of Filing Date	Indefinitely, monitored annually
93	BILH Providers participating in Mass Health as of Filing Date	Indefinitely, monitored annually
94	Good faith effort to have all BILH providers apply to participate in MassHealth	Within 3 years of Closing Date (March 1, 2022)
95	Prohibited from capping MassHealth patients served	Indefinitely, monitored annually
96	New marketing program targeting underserved populations in Eastern Massachusetts re: BILH access via MassHealth, with AGO input	Access Period, monitored annually
97	New England Baptist Hospital advertising focused on Mission Hill, Roxbury, Dorchester, Mattapan	Access Period, monitored annually
98	Funding for CHCs and SNAs (historical and traditional support) • $40.96 million • Not less than $4.096 million for any two year period	 • Access Period • Access Period
99	Funding for CHCs and SNAs (additional support) • Initial distribution	• Within 2 years of Closing Date (March 1, 2021)
99	Funding for CHCs and SNAs (additional support) • $8.8 million	Access Period
101	Funding for CHCs in Gateway Communities • $5 million	Access Period
103	Prohibition on BILH employing PCPs previously employed by SNAs or CHCs	For a period of 1 year after the Closing Date (March 1, 2020)
104	Prohibition on solicitation of Safety Net Hospital departments	Access Period

Section	AOD Requirement	Time Periods and Due Dates
105	Renewing CHC affiliation agreements on substantially similar terms as those in place as of the Filing Date	Access Period
106	Collaborative process with CHCs	Within 1 year of Closing Date (March 1, 2020), and throughout Access Period
107	Explore opportunities to expand clinical and financial support to additional CHCs in Essex and Middlesex	Within 2 years of Closing Date (March 1, 2021), and throughout Access Period
108	Good faith efforts to continue and renew affiliation agreements with the SNAs on similar terms to those in place.	Access Period
109	Maintain the clinical programs that BILH supports at SNAs	Access Period
110	Assist SNAs with recruitment of PCPs and specialists	Access Period
111	Brand/logo made available to SNAs	Access Period
112	Model and joint regional planning in regions of SNAs • Regional clinical needs assessments • Planning for clinical service expansion or closure • Opening, expanding, closing facilities • Other respective business planning in regions	Within 1 year of Closing Date (March 1, 2020), and throughout Access Period
113	BILH shall not incent physicians in risk-sharing agreements with Joint Contracting SNAs.	Access Period
114	Treat all referrals by CIN physicians to CIN network hospitals/physicians as "in-system" or "retained"	Access Period
115	BILH shall not take any actions to discourage or dis-incentivize CIN physicians from referring patients to the Joint Contracting SNAs.	Access Period
116	BILH shall ensure that at least one member of the CIN Board of Managers shall be a representative from a Joint Contracting SNA	Access Period
117	BILH shall ensure that Joint Contracting SNAs and BILH Hospitals with a Statewide Relative Price of less than 0.85, receive a rate increase no less than the Commercial Unit Price Rate of Increase for each Covered Commercial Payer as defined in paragraph 77(a).	Access Period
118	BILH shall offer Joint Contracting SNAs the option to participate in all CIN shared risk contracts.	Access Period
119	Behavioral health services investment of $16.9 million	Access Period
120	IMPACT model • Extend to 50% of BILH PCP practices (employed) • Extend to 100% of BILH PCP practices (not specified) • Feasibility Study to extend IMPACT to CHCs	• Within 3 years of Closing Date (March 1, 2022) • Within 5 years of Closing Date (March 1, 2024) • Within 2 years of Closing Date (March 1, 2021)
121	Centralized Bed Management (CBM) Program	Within 3 years of Closing Date (March 1, 2022), annually thereafter

Section	AOD Requirement	Time Periods and Due Dates
122	Medication Assisted Treatment (MAT)	Within 2 years of Closing Date (March 1, 2021), annually thereafter
123	Maintain and abide by governing documents, including BILH's Bylaws and Articles of Organization that reflect in the organization's charitable purposes.	Access Period, monitored annually
124	Include within the membership of BILH's Board of Trustees a community healthcare leader and/or advocate	Access Period, monitored annually
125	BILH shall incorporate into its governance structure, including BILH's Board of Trustees and each First Tier Affiliate's Board of Trustees, a commitment to (i) Membership diversity, (ii) Geographic representation from within the BILH service area.	Access Period, monitored annually
126	All reports, data and information subject to and contained in the reporting requirements in AOD Section C, shall be due within sixty (60) days following the Closing Date and then annually thereafter on or before January 15 of each year for the prior fiscal year ending September 30.	Annually, throughout the Monitoring Period
128	BILH shall provide the AGO copies of any reports that it provides to the DPH.	Annually, throughout the Monitoring Period
129	Cost/finance/clinical service info	As per AOD Para. 126
130	BILH plan to AGO to have all BILH providers apply to MassHealth	Within 18 months of Filing Date (May 29, 2020)
132	Various statistical info provided by BILH to AGO	As per AOD Para. 126
133	BILH shall make good faith efforts to answer any reasonable inquiries from the AGO concerning the reports provided under Paragraph 132.	Annually, throughout the Monitoring Period
135	Report on employment or joint contracting of any PCP employed by an Safety Net Hospital immediately prior to joining BILH	Four year period beginning one year from Closing Date (Begins March 1, 2020 with first report due March 1, 2021 – March 1, 2024)