

Beth Israel Lahey Health, Inc.

**Grant Thornton Advisors LLC
Monitoring Report**

For the period of analysis covering October 1, 2024 through September 30, 2025

March 1, 2026

CONFIDENTIAL

The contents of this Report were prepared solely for the use of Beth Israel Lahey Health, Inc. for the purposes contemplated by the Engagement Letter. It is not to be used, relied upon or referred to by any other party for any purpose.

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I. INTRODUCTION AND ASSIGNMENT OBJECTIVES

Grant Thornton Advisors LLC¹ (“Grant Thornton”, “GT”, “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 (the “Agreement”).

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”) and as amended per the Massachusetts Attorney General’s Office (the “AGO”) email to Grant Thornton on February 25, 2022, 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 AGO, which has been designated as a third-party beneficiary to BILH’s engagement letter with Grant Thornton.²

For the reporting year of October 1, 2024 to September 30, 2025 (“Year 7”), 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.³

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 Grant Thornton was known as “Grant Thornton LLP” as of the issuance of the prior Monitoring reports for Years 1-5. As of June 1, 2024, Grant Thornton’s advisory services are now provided by “Grant Thornton Advisors LLC”.

“Grant Thornton” refers to the brand name under which the Grant Thornton member firms provide services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton LLP and Grant Thornton Advisors LLC (and their respective subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Grant Thornton LLP is a licensed independent CPA firm that provides attest services to its clients, and Grant Thornton Advisors LLC and its subsidiary entities provide tax and business consulting services to their clients. Grant Thornton Advisors LLC and its subsidiary entities are not licensed CPA firms.

² AOD Par. 142.

³ 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.

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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.⁴
2. **ACO** – Accountable Care Organization.
3. **Aetna** – Aetna Health, Inc.⁵
4. **AGO** – Massachusetts Office of the Attorney General.
5. **AICPA** – American Institute of Certified Public Accountants.
6. **AJH** – Anna Jaques Hospital.
7. **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.⁶
8. **AOD** – Assurance of Discontinuance, pursuant to M.G.L. Chapters 93A, § 5 and 93, § 97, and as amended per the AGO’s email to Grant Thornton on February 25, 2022.
9. **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 twelve-month period used by BILH for this purpose is acceptable to the Covered Commercial Payer.⁸
10. **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.⁹
11. **BCBSMA** – Blue Cross and Blue Shield of Massachusetts, Inc.¹⁰
12. **BHC** – Behavioral Health Clinician.
13. **BIDCO** – Beth Israel Deaconess Care Organization, one of the three legacy physician contracting organizations.¹¹
14. **BIDMC** – Beth Israel Deaconess Medical Center, Inc.
15. **BID Milton** – Beth Israel Deaconess Hospital - Milton.
16. **BID Needham** – Beth Israel Deaconess Hospital - Needham.
17. **BID Plymouth** – Beth Israel Deaconess Hospital - Plymouth.
18. **BILH** – Beth Israel Lahey Health, Inc., including its corporate affiliates, subsidiaries, subdivisions, officers, directors, trustees, partners, agents, servants, employees and/or successors.¹²
19. **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.¹³
20. **BILHPC** – Beth Israel Lahey Health Primary Care, formerly known as Lahey Physician Community Organization or LPCO.
21. **BILHPN** – Beth Israel Lahey Health Performance Network.

⁴ AOD Par. 10.

⁵ AOD Par. 78(a).

⁶ AOD Par. 11.

⁷ AOD Par. 6.

⁸ AOD Par. 77(g)(ii).

⁹ AOD Par. 77(b).

¹⁰ AOD Par. 78(a).

¹¹ BILH 60 Day Report dated April 30, 2019 – Patients and Revenue p.2.

¹² AOD Par. 15.

¹³ AOD Par. 17.

22. **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.¹⁴
23. **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.¹⁵
24. **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.¹⁶
25. **CCA** – Community Care Alliance.
26. **CCS** – Community Crisis Stabilization.
27. **CHA** – Cambridge Health Alliance.
28. **CHCs** – Community Health Centers.
29. **CHC Affiliate** – Community Health Center Affiliate, meaning 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.¹⁷
30. **CHIA** – Center for Health Information and Analysis.¹⁸
31. **Cigna** – Cigna Corporation.¹⁹
32. **CIN** – Clinically-Integrated Network.²⁰
33. **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.²¹
34. **CoCM** – Collaborative Care Model, also referred to as the IMPACT Model.
35. **Commercial Contract** – A Payer Contract containing Commercial Health Insurance Products.
36. **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.²²
37. **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.²³
38. **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.²⁴
39. **Commonwealth** – The Commonwealth of Massachusetts.

¹⁴ AOD Par. 19.

¹⁵ AOD Par. 20.

¹⁶ AOD Par. 22.

¹⁷ AOD Par. 23.

¹⁸ AOD Par. 24.

¹⁹ AOD Par. 78(a).

²⁰ AOD Par. 25.

²¹ AOD Par. 26.

²² AOD Par. 29.

²³ AOD Par. 75.

²⁴ AOD Par. 77(a).

40. **Community Benefits** – Community health investments and charity care provided and reported pursuant to the AGO’s Community Benefits Guidelines.²⁵
41. **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).²⁶
42. **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.²⁷
43. **Covered BILH Providers** – All BILH Providers excluding the Joint Contracting Safety Net Affiliates.²⁸
44. **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.; UnitedHealthcare, Inc.; Cigna Corporation; and Aetna Health, Inc.; and additional Payers, as necessary, so that the volume 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.^{29,30}
45. **Covered Managed Medicare Payer** – Any Payer that contracts with BILH for any BILH Providers to provide services to that Payer’s Managed Medicare enrollees.³¹
46. **DoN** – “Determination of Need Application”: NEWCO-17082413-TO, amended and approved by the DPH, October 2018.³²
47. **DPH** – Massachusetts Department of Public Health.³³
48. **Exeter** – Exeter Health Resources, Inc.
49. **Fallon** – Fallon Community Health Plan, Inc.³⁴
50. **Fiscal Year** – October 1, 2024 – September 30, 2025, which is BILH’s fiscal reporting year as pertaining to this report.
51. **Filing Date** – November 29, 2018, the date upon which the AOD was filed with the clerk of the Suffolk Superior Court.³⁵
52. **First Tier Affiliate** – Any entity of which BILH is the sole corporate member.³⁶
53. **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.³⁷ This includes 26 gateway cities: Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, and Worcester.

²⁵ AOD Par. 27.

²⁶ AOD Par. 28.

²⁷ AOD Par. 32.

²⁸ AOD Par. 35.

²⁹ AOD Par. 78(a)-(b).

³⁰ Per the AGO’s email to Grant Thornton on February 25, 2022, BILH and the AGO jointly agreed to amend Paragraph 78(a) of the AOD, removing Fallon Community Health Plan, Inc. from the listing of Covered Commercial Payers in Paragraph 78(a) and the definition of Covered Commercial Payer due to Fallon’s exit from the commercial health insurance market.

³¹ AOD Par. 88.

³² AOD Par. 128.

³³ Ibid.

³⁴ AOD Par. 78(a).

³⁵ AOD Par. 39.

³⁶ AOD Par. 40.

³⁷ M.G.L Chapter 23A § 3A.

54. **HCCGB** – Health Care Cost Growth Benchmark.³⁸
55. **HMFP** - Harvard Medical Faculty Physicians.
56. **HPC** – Massachusetts Health Policy Commission.
57. **HPHC** – Harvard Pilgrim Health Care, Inc.³⁹
58. **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.⁴⁰
59. **Joint Contracting SNA** – 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.^{41,42}
60. **Joslin** – Joslin Diabetes Center, Inc.
61. **Lahey** – Lahey Health System, Inc.
62. **LCPN** – Lahey Clinical Performance Network.
63. **LGH** – Lawrence General Hospital.
64. **LHMC** – Lahey Hospital and Medical Center.
65. **MACIPA** – Mount Auburn Cambridge Independent Practice Association.
66. **MAH** – Mount Auburn Hospital.
67. **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.⁴³
68. **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.⁴⁴
69. **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.⁴⁵
70. **MassHealth** – Health coverage programs administered by the Massachusetts Executive Office of Health and Human Services to benefit low and moderate income people in the Commonwealth, including the Medicaid program under Title XIX of the Social Security Act and the State Children’s Health Insurance program under Title XXI of the Social Security Act.⁴⁶
71. **MassHealth ACO** – Accountable Care Organization health programs offered through MassHealth.⁴⁷
72. **MAT** – Medication Assisted Treatment.⁴⁸
73. **MCPAP** – Massachusetts Child Psychiatry Access Program for Moms.
74. **Medicare Advantage Contract** – A Payer Contract containing Managed Medicare Health Insurance Products.
75. **MHQEC** – Maternal Health Quality and Equity Council.
76. **MOU** – Memorandum of Understanding.

³⁸ Health Care Cost Growth Benchmark, via <https://masshpc.gov/cost-containment/benchmark>, accessed February 6, 2025.

³⁹ AOD Par. 78(a).

⁴⁰ AOD Par. 45.

⁴¹ AOD Par. 46.

⁴² On February 1, 2022 Lawrence General Hospital (“LGH”) provided a notice of termination letter to BILH whereby LGH terminated its Clinical Affiliation Agreement with BIDMC and Harvard Medical Faculty Physicians effective June 1, 2022. As such, LGH is no longer a BILH Joint Contracting Safety Net Affiliate as defined in the AOD.

⁴³ AOD Par. 48.

⁴⁴ AOD Par. 85.

⁴⁵ AOD Par. 83.

⁴⁶ AOD Par. 51 and MassHealth, via <https://www.mass.gov/topics/masshealth>, accessed February 22, 2022.

⁴⁷ AOD Par. 52.

⁴⁸ AOD Par. 53.

77. **Monitor** – The independent third party who will monitor BILH’s compliance with the AOD throughout the Monitoring Period.⁴⁹
78. **Monitoring Period** – March 1, 2019 – February 28, 2029, the ten (10) year period following the Closing Date.⁵⁰
79. **NBH** – Northeast Behavioral Health Corporation, also referred to as Beth Israel Lahey Health Behavioral Services.
80. **NEBH** – New England Baptist Hospital.
81. **NHC** – Northeast Hospital Corporation.
82. **NMP** – Northeast Medical Practice.
83. **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.⁵¹
84. **NSBC** – North Shore Birth Center.
85. **NSBC MOU** – North Shore Birth Center Memorandum of Understanding dated December 30, 2022 by, between, and among the AGO and BILH concerning the closure of the North Shore Birth Center.
86. **OB/GYN** – Obstetrics and Gynecology.
87. **ODU** – Opioid Use Disorder.⁵²
88. **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.⁵³
89. **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.⁵⁴
90. **PCP** – Primary care provider.⁵⁵
91. **PFAC** – Patient and Family Advisory Council.
92. **Price Constraint** – Requirements specified by AOD Paragraphs 72 through 89.
93. **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.⁵⁶
94. **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.⁵⁷
95. **S-RP** – Statewide Relative Price.
96. **Safety Net Affiliate** – Safety Net Hospital affiliate of BILH, meaning Cambridge Health Alliance; or Signature Healthcare Brockton Hospital.^{58,59}

⁴⁹ AOD Par. 54.

⁵⁰ AOD Par. 55.

⁵¹ BILH 60 Day Report dated April 30, 2019 – Patients and Revenue p.3.

⁵² Opioid Use Disorder, via <https://www.cdc.gov/overdose-prevention/prevention/preventing-opioid-use-disorder.html>, accessed February 20, 2025.

⁵³ AOD Par. 58.

⁵⁴ AOD Par. 59.

⁵⁵ AOD Par. 60.

⁵⁶ AOD Par. 61.

⁵⁷ AOD Par. 77(c).

⁵⁸ AOD Par. 63.

⁵⁹ On February 1, 2022 LGH provided a notice of termination letter to BILH whereby LGH terminated its Clinical Affiliation Agreement with BIDMC and Harvard Medical Faculty Physicians effective June 1, 2022. As such, LGH is no longer a BILH Safety Net Affiliate as defined in the AOD.

97. **Safety Net Hospital** – Any hospital with a Medicaid payer mix greater than 20%, as reported by CHIA for the prior fiscal year.⁶⁰
98. **Scope Period** – October 1, 2024 – September 30, 2025, the period pertaining to this report.
99. **SHC** – Signature Healthcare Brockton Hospital.
100. **SNA**s – Safety Net Affiliates.
101. **SUD** – Substance Use Disorder.⁶¹
102. **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%.⁶²
103. **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.⁶³
104. **Tufts** – Tufts Health Plan, Inc.⁶⁴
105. **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.⁶⁵
106. **United** – UnitedHealthcare, Inc.⁶⁶
107. **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.⁶⁷
108. **WH** – Winchester Hospital.
109. **Year End** – September 30, the final day of BILH's fiscal year end.
110. **Year 1** – November 29, 2018 – September 30, 2019, the Scope period pertaining to Grant Thornton's monitorship report dated January 15, 2020.
111. **Year 2** – October 1, 2019 – September 30, 2020, the Scope period pertaining to Grant Thornton's monitorship report dated June 30, 2021.
112. **Year 3** – October 1, 2020 – September 30, 2021, the Scope Period pertaining to Grant Thornton's monitorship report dated March 1, 2022.
113. **Year 4** – October 1, 2021 – September 30, 2022, the Scope Period pertaining to Grant Thornton's monitorship report dated March 1, 2023.
114. **Year 5** – October 1, 2022 – September 30, 2023, the Scope Period pertaining to Grant Thornton's monitorship report dated March 1, 2024.
115. **Year 6** – October 1, 2023 – September 30, 2024, the Scope Period pertaining to Grant Thornton's monitorship report dated March 1, 2025.
116. **Year 7** – October 1, 2024 – September 30, 2025, the Scope Period pertaining to this report.

⁶⁰ AOD Par. 64.

⁶¹ Substance Use Disorders, via <https://www.cdc.gov/overdose-prevention/treatment/index.html>, accessed February 4, 2025.

⁶² AOD Par. 76.

⁶³ AOD Par. 1.

⁶⁴ AOD Par. 78(a).

⁶⁵ AOD Par. 77(g)(i).

⁶⁶ AOD Par. 78(a).

⁶⁷ 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 Health 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 ten (10) year period following the Closing Date (the “Monitoring Period”), as set forth in the AOD dated November 29, 2018 and amended as per the AGO’s email to Grant Thornton on February 25, 2022.

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 it 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 AOD requirements with compliance deadlines that fall within BILH’s Fiscal Year that ended on September 30, 2025. Where appropriate, Grant Thornton has noted BILH’s progress against requirements with compliance dates that fall in future periods when adequate evidence was available to do so. The findings in this report primarily pertain to the Year 7 reporting period. Refer to Grant Thornton’s reports from prior years to access 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, 2025, BILH identified both the Covered Commercial Payers and Payers excluded from the price constraint provisions, which Grant Thornton analyzed and tested. An assessment of current managed care contracts revealed ten contracts were renegotiated and executed between October 1, 2024 and September 30, 2025, and required review for compliance with the requirements of the Price Constraint. Contracts requiring review included five for Commercial Health Insurance Products and five for Managed Medicare Health Insurance Products.

For each of the five 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 five Commercial Contracts contained an aggregate Commercial Unit Price Rate of Increase equal to or below the System-wide Price Constraint required by the AOD.

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

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Constraint. Based on these procedures, Grant Thornton has not identified evidence of noncompliance with the terms of the 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. Additionally, due to the closure of the North Shore Birth Center (“NSBC”) in December 2022, BILH and the AGO signed the NSBC Memorandum of Understanding (“NSBC MOU”) on December 30, 2022 which outlines additional requirements to maintain access to substantially similar services to those previously provided at the birth center.

Grant Thornton reviewed documentation of clinical service offerings as of the Closing Date and as of September 30, 2025. 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.

For the requirements of the NSBC MOU subject to a determination of compliance in the Year 7 reporting period, Grant Thornton reviewed related documentation and notes no instances of noncompliance.

- **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 by distributing \$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 \$22,855,456 (Year 6 and Year 7 investments combined) is in excess of the minimum biannual contribution of \$4.096 million. BILH’s Year 7 contributions totaled \$12,434,452 bringing the cumulative investment total to \$60,970,969 as of September 30, 2025. As such, BILH has met the requirement in Paragraph 98 that it make investments totaling \$40.96 million in CHCs and SNAs and Paragraph 99 that BILH distribute at least \$8.8 million in additional direct financial support to CHCs and SNAs during the Access Period. As such, Grant Thornton notes that BILH has met the requirements of both Paragraph 98 and Paragraph 99 relating to investments in CHCs and SNAs.

- **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 \$49.76 million in commitments throughout the Access Period to CHCs and SNAs referred to in **Section D – CHCs and SNAs: Investments** above.

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Grant Thornton analyzed contributions to Gateway Municipalities and noted \$2,813,511 of the \$5 million community investments requirement were disbursed as of September 30, 2025; however, the AOD does not require a determination of compliance 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. BILH may not solicit any department of a Safety Net Hospital for employment during the Access Period. Previous limitations relating to BILH’s hiring of Primary Care Providers (“PCPs”) are no longer applicable to the current reporting period.

Grant Thornton did not observe any evidence that BILH actively solicited a department of a Safety Net Hospital. Overall, Grant Thornton did not find any evidence of noncompliance with the 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 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 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. All previous agreements remain in effect or were renewed on substantially similar terms, support of clinical programs has been maintained, collaborative planning has continued, 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 during the Access Period 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.

During the Year 5 reporting period, Grant Thornton observed that BILH surpassed the required investment threshold of \$16.9 million stated in the AOD with cumulative investments in behavioral health services totaling \$21,189,151. BILH provided a summary of continued behavioral health investments made during the Year 7 reporting period; however, Grant Thornton did not validate BILH’s Year 7 spending as this requirement has been previously met.

- **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 or “CoCM”) 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 Program (“CBM Program”) to all hospitals and facilities with inpatient behavioral health services, and to enhance the status of the Medication Assisted Treatment (“MAT”) program/bridge clinics.

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Grant Thornton assessed BILH's progress towards compliance through discussions with BILH behavioral health management as well as analysis of documents provided by BILH. BILH met the requirement that it extend the IMPACT Model to 50% of BILH Primary Care Practices within three years of the Closing Date during Year 4. Additionally, BILH 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.

Paragraph 120(b) of the AOD requires BILH to extend the IMPACT model to 100% of BILH Primary Care Practices by March 1, 2024. As of that date, two sites had not yet implemented the IMPACT model. As of the end of Year 7, Grant Thornton confirmed these remaining sites have since implemented the IMPACT model bringing all Primary Care Practices into compliance. Therefore, Grant Thornton notes BILH is currently in compliance with this requirement, but did not meet the specified due date in the AOD.

- **H – Governance** – The AOD outlines certain requirements related to the composition of the BILH Board of Trustees and the boards of its First Tier Affiliates. 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.

Based on review of board meeting materials, other documents, and discussions with BILH management, Grant Thornton observed no instances of noncompliance in the current reporting period with the governance requirements set forth in AOD Paragraphs 123-125.

- **I – DPH and AGO Reports** – The AOD requires BILH to provide the AGO with copies of any reports it submits to the Massachusetts 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.

The AOD further 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 reports under Paragraphs 128, 129, and 132 with the DPH and the AGO. Grant Thornton did not perform testing in relation to Paragraph 130 as the requirements set forth in this paragraph were met by BILH in the Year 2 reporting period or Paragraph 135 as the requirements set forth in this paragraph were met by BILH in the Year 6 reporting period. 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** – Grant Thornton notes no additional concerns were presented to Grant Thornton by the AGO regarding BILH's compliance with the AOD during the current testing period.

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As such, Grant Thornton observed no evidence of noncompliance by BILH with the requirements of the AOD.

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.

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The contents of this Report were prepared solely for the use of Beth Israel Lahey Health, Inc. for the purposes contemplated by the Engagement Letter. It is not to be used, relied upon or referred to by any other party for any purpose.

V. BACKGROUND AND ENGAGEMENT APPROACH

A. Background

In July 2017, Lahey Health System, Inc., CareGroup, Inc., and Seacoast Regional Health 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.⁶⁸

- 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 included 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.⁶⁹

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.⁷⁰

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 ten (10) years.

On February 25, 2022 the AGO and BILH jointly agreed to amend the following AOD paragraphs:⁷¹

- Paragraph 78(a): Removed Fallon Community Health Plan, Inc. ("Fallon") from the listing of Covered Commercial Payers in Paragraph 78(a). See Section VI.A.i of this report for further detail.
- Paragraph 117: Established Anna Jaques Hospital and Beth Israel Deaconess Hospital – Milton as the BILH hospitals with a Statewide Relative Price of less than 0.85 as of the Filing Date and introduced the mechanism by which BILH may satisfy the requirement in Paragraph 117 if these two hospitals receive a rate increase lower than the Commercial Unit Price Rate of Increase for a Covered Commercial Payer. See Section VI.E.iii.d of this report for further detail.
- Paragraph 126: Granted the extension of the due date of all reports from BILH to the AGO under Section C of the AOD from January 15 to March 1 of each year for the prior fiscal year ending September 30.
- Paragraph 152: Granted the extension of the due date of Grant Thornton's annual report as to BILH's compliance with the provisions of the AOD from January 15 to March 1 of each year for the prior fiscal year ending September 30.

⁶⁸ Massachusetts Health Policy Commission Cost and Market Impact Review – Final Report dated September 27, 2018, p.1.

⁶⁹ Determination of Need Application, "NEWCO-17082413-TO," amended and approved by the DPH, October 2018.

⁷⁰ Massachusetts Health Policy Commission Cost and Market Impact Review – Final Report dated September 27, 2018, p.8.

⁷¹ Email communication from AGO to Grant Thornton and BILH, dated February 25, 2022.

In December 2022, BILH ceased operations at the NSBC, an outpatient midwife-led birth center located on the campus of Beverly Hospital. In conjunction with the closure of the NSBC, BILH and the AGO signed the NSBC MOU on December 30, 2022. The NSBC MOU outlines a number of mutually agreed upon requirements, which BILH must meet to maintain access to substantially similar services as required by Paragraph 91 of the AOD, and these requirements are applicable through the remainder of the Access Period.⁷²

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 4,700 physicians and 39,000 employees in a shared mission to expand access to care and advance the science and practice of medicine.⁷³

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) physician enterprise, (ii) hospital and ambulatory services group, (iii) population health enterprise, and (iv) network of administrative and operational system-level support services.⁷⁴

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:⁷⁵

- Anna Jaques Hospital (“AJH”)
- Beth Israel Deaconess Medical Center, Inc. (“BIDMC”)⁷⁶
- Beth Israel Deaconess Hospital – Milton (“BID Milton”)
- Beth Israel Deaconess Hospital – Needham (“BID Needham”)
- Beth Israel Deaconess Hospital – Plymouth (“BID Plymouth”)
- Lahey Clinic Foundation, Inc.⁷⁷
- Mount Auburn Hospital (MAH⁷⁸)
- New England Baptist Hospital (“NEBH”)
- Northeast Hospital Corporation (“NHC”)⁷⁸
- Northeast Behavioral Health Corporation (“NBH”)
- Winchester Hospital (“WH”)
- Joslin Diabetes Center, Inc. (“Joslin”)⁷⁹

⁷² Memorandum of Understanding dated December 30, 2022 by, between, and among the AGO and BILH concerning the closure of the North Shore Birth Center.

⁷³ About BILH, via <https://bilh.org/about> accessed February 3, 2026.

⁷⁴ BILH Announces Organizational Structure and Members of Senior Leadership Team, via <https://bilh.org/about/news-and-stories/all-news-and-stories/news/2019/january/bilh-announces-organizational-structure-and-senior-leadership-team>, accessed June 14, 2021.

⁷⁵ AOD Exhibit A.

⁷⁶ CareGroup, Inc. will merge into BIDMC (AOD Exhibit A).

⁷⁷ 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).

⁷⁸ Northeast Hospital Corporation includes Beverly Hospital, Addison Gilbert Hospital, BayRidge Hospital, and Lahey Outpatient Center, Danvers. Beverly Hospital About via <https://beverlyhospital.org/about>, accessed February 3, 2026.

⁷⁹ On November 1, 2021 BILH became the sole corporate member of Joslin Diabetes Center, Inc., thus making Joslin Diabetes Center, Inc. a BILH First Tier Affiliate as defined by AOD Paragraph 40.

- Exeter Health Resources, Inc. (“Exeter”)⁸⁰

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

Community Health Centers (“CHC Affiliate” or “CHCs”):⁸¹

- 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”):^{82,83}

- Cambridge Health Alliance (“CHA”)
- Signature Healthcare Brockton Hospital (“SHC”)

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).
- 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) 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.

⁸⁰ On July 1, 2023 BILH became the sole corporate member of Exeter Health Resources, Inc., thus making Exeter Health Resources, Inc. a BILH First Tier Affiliate as defined by AOD Paragraph 40.

⁸¹ AOD Par. 23.

⁸² AOD Par. 63.

⁸³ On February 1, 2022, LGH provided a notice of termination letter to BILH whereby LGH terminated its Clinical Affiliation Agreement with BIDMC and Harvard Medical Faculty Physicians effective June 1, 2022. As such, LGH is no longer a BILH Safety Net Affiliate as defined in the AOD.

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 72-78⁸⁴

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”) previously set the HCCGB for the calendar years 2018-2022 at 3.1%. On April 26, 2022, the Massachusetts HPC voted to set the HCCGB for calendar years 2023, 2024, 2025, and beyond at 3.6%.^{85,86} BILH must ensure the Commercial Unit Price Rate of Increase for any Payer Contract, calculated on an annual aggregated basis across all Covered BILH Providers, does not exceed the System-wide Price Constraint of 3.5% (HCCGB of 3.6% less 0.1%). 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 2025 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 the Center for Health Information and Analysis (“CHIA”).⁸⁷ 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

⁸⁴ AOD Par. 72-78.

⁸⁵ Health Care Cost Growth Benchmark, via <https://masshpc.gov/cost-containment/benchmark>, accessed February 3, 2026.

⁸⁶ Massachusetts Health Policy Commission Benchmark Vote Notification Letter to the Joint Committee on Health Care Financing dated April 26, 2022.

⁸⁷ AOD Par. 56.

this analysis, Grant Thornton determined that Blue Cross and Blue Shield of Massachusetts, Inc. (“BCBSMA”); Harvard Pilgrim Health Care, Inc. (“HPHC”); Tufts Health Plan, Inc. (“Tufts”); UnitedHealthcare, Inc. (“United”); Cigna Corporation (“Cigna”); and Aetna Health Inc. (“Aetna”) together represent 93.49% 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, 2025. Grant Thornton notes that during the Year 4 reporting period the AGO and BILH jointly agreed to amend Paragraph 78(a) of the AOD, removing Fallon from the listing of Covered Commercial Payers in Paragraph 78(a) due to Fallon’s exit from the commercial health insurance market.⁸⁸ As such, Fallon was not included in the listing of Covered Commercial Payers as of September 30, 2025.

BILH also provided exhibits which identified Mass General Brigham Health Plan, formerly known as Allways Health Partners, the Payer entity controlled by Mass General Brigham, formerly known as Partners HealthCare, 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.”⁸⁹ Grant Thornton analyzed the following criteria:

- Common control – There is common corporate control between the Mass General Brigham provider entities and the Mass General Brigham insurance entities.
- Market share – Per the Fiscal Year 2024 CHIA report on Massachusetts Acute Hospital and Health System Financial Performance, Mass General Brigham maintains a 27.13% market share of acute care hospital NPSR.⁹⁰
- Service locations – Based on a review of the public website of Mass General Brigham, the organization has service locations in the counties identified in Paragraph 78(c).

As a Vertically Integrated Payer, Mass General Brigham Health Plan 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 five Commercial Contracts with an effective date between October 1, 2024 and September 30, 2025 as requiring review for compliance with the requirements of the Price Constraint:

- BILHPN – Cigna
- BILHPN – HPHC
- AJH – Aetna
- AJH – United
- WH – United

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

⁸⁸ Email communication from AGO to Grant Thornton and BILH, dated February 25, 2022.

⁸⁹ AOD Par. 78(c)(i).

⁹⁰ CHIA “Massachusetts Hospital and Health System Annual Financial Performance Report” for Fiscal Year 2024, via <https://www.chiamass.gov/hospital-and-hospital-system-quarterly-and-annual-financial-data/>, accessed February 3, 2026.

Subsequently, Grant Thornton analyzed base contracts, amendments, and financial and contract schedules related to each of the five Commercial Contracts listed above requiring review for compliance with the requirements of the Price Constraint. 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 (e.g., per diems, case rates, fee schedules). Additionally, one contract (BILHPN – HPHC) contained Alternative Payment Methods supplementing the common fee-for-service reimbursement terms (e.g., risk payments, quality payments, infrastructure payments).
2. Identification of the negotiated increase allowed for Uniform Price Changes by service category.
3. 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 five 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 3.5% System-wide Price Constraint limit established by the AOD.

Result

Grant Thornton testing identified the Covered Commercial Payers were consistent with the terms of the AOD. Based on the distribution of revenues, the list of Covered Commercial Payers represented 93.49% of BILH's total NPSR, as indicated above. No additional Payers were included as Covered Commercial Payers.

Grant Thornton identified five 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 noncompliance 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 79-80⁹¹

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 observed that no facilities joined or exited BILH between October 1, 2024 and September 30, 2025. 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, Grant Thornton did not observe instances of noncompliance with the requirements of Paragraphs 79 and 80 as no facilities joined or exited BILH between October 1, 2024 and September 30, 2025. As such, Grant Thornton notes no instances of noncompliance with these paragraphs.

c. Paragraph 81⁹²

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 five Commercial Contracts renegotiated with an effective date between October 1, 2024 and September 30, 2025 requiring review for compliance with the requirements of the System-wide Price Constraint. As noted previously, all five contracts complied with the System-wide Price Constraint. Grant Thornton observed that none of the five Commercial Contracts renegotiated between October 1, 2024 and September 30, 2025 utilized the weighted average method described in Paragraph 81.

Result

Grant Thornton observed no contracts initiated during the current fiscal year utilized the weighted average method described in Paragraph 81. As such, Grant Thornton notes no instances of noncompliance with the conditions of Paragraph 81 of the AOD.

⁹¹ AOD Par. 79-80.

⁹² AOD Par. 81.

d. **Paragraph 82**⁹³

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 five Commercial Contracts with effective dates between October 1, 2024 and September 30, 2025 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 one contract, BILHPN – HPHC, provided supplementary payments for a Commercial Health Insurance Product to BILH through Alternative Payment Methods.

Result

Grant Thornton testing identified one Commercial Contract provided payment for a Commercial Health Insurance Product to BILH through Alternative Payment Methods. Based on review of the terms of this contract, Grant Thornton did not observe instances of noncompliance 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.

⁹³ AOD Par. 82.

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

a. **Paragraphs 83-88⁹⁴**

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 five Medicare Advantage Contracts with an effective date between October 1, 2024 and September 30, 2025 which required review for compliance with the Managed Medicare Payment Constraint:

- BILHPN – BCBSMA
- BILHPN – Tufts
- AJH – Aetna
- BIDCO – United
- Lahey Clinic, Inc. (“LCI”), BILH Primary Care, Inc. (“BILHPC”) – United

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 five 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 four contracts (BILHPN – BCBSMA; BILHPN – Tufts; BIDCO – United; LCI, BILHPC – United) contained reimbursement provisions consistent with the AOD definition of Alternative Payment Methods. Per Paragraph 84 of the AOD, Grant Thornton did not evaluate these four contracts for compliance with the Managed Medicare Payment Constraint. Rather, Grant Thornton evaluated these contracts for compliance with the Alternative Payment Method requirements outlined in Paragraph 89 on the following section of this report.

Additionally, Grant Thornton observed one contract (AJH – Aetna) did not contain Alternative Payment Method reimbursement terms. Rather, the fundamental reimbursement mechanism of this contract is based on common fee-for-service methods. As such, Grant Thornton reviewed the current and prior period contractual Managed Medicare Percent of Unit Price reimbursement rates for this contract.

⁹⁴ AOD Par. 83-88.

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 AJH – Aetna contract. As such, Grant Thornton observed the Managed Medicare Percent of Unit Prices for this contract did not exceed the Managed Medicare Payment Constraint limit established by the AOD.

Result

Grant Thornton testing identified five 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 noncompliance 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 89⁹⁵

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 five Medicare Advantage Contracts with an effective date between October 1, 2024 and September 30, 2025 requiring review for compliance with the requirements of the Price Constraint. Grant Thornton reviewed the terms of these contracts and identified the following four Medicare Advantage Contracts include payments for a Managed Medicare Health Insurance Product to BILH through Alternative Payment Methods: BILHPN – BCBSMA; BILHPN – Tufts; BIDCO – United; and LCI, BILHPC – United. Grant Thornton observed the remaining contract (AJH – Aetna) did not include Alternative Payment Methods subject to the requirements of Paragraph 89 and thus was not evaluated for compliance with this paragraph. As such, Grant Thornton evaluated the four contracts containing Alternative Payment Method reimbursement provisions for compliance with the requirements outlined in Paragraph 89 and observed the Alternative

⁹⁵ AOD Par. 89.

Payment Method reimbursement terms of each contract appeared to be consistent with the requirements of Paragraph 89.

Result

Grant Thornton testing identified four 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 noncompliance 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.

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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.⁹⁶ On December 1, 2022, BILH permanently closed the NSBC, an outpatient midwife-led birth center located on the campus of Beverly Hospital. In order to maintain access to substantially similar services as required by the AOD, BILH and the AGO signed the NSBC MOU on December 30, 2022 which “reflects the agreement of the AGO and BILH as to how BILH will maintain access to substantially similar services as were previously provided at the birth center.”⁹⁷ The NSBC MOU outlines a number of mutually agreed upon requirements that are applicable through the remainder of the Access Period.

i. Clinical Services

a. Paragraph 91⁹⁸

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: Throughout Access Period, monitored annually.

Testing Approach

BILH, with Grant Thornton’s feedback, distributed a clinical services inventory survey covering 12 of its hospitals and received responses for all surveyed sites.⁹⁹ The services included on the surveys were compiled from the Massachusetts DPH Hospital Licensure Regulation 105 CMR 130, supplemented with select services from the Medicare Hospital Cost Report as deemed necessary by BILH. On each survey, the hospitals were asked to answer “Yes” or “No” to questions related to the creation, elimination, or changes to services between October 1, 2024 and September 30, 2025.

Grant Thornton analyzed the survey responses and additional detail from BILH and notes no service eliminations constituting a violation of the requirement in Paragraph 91. Through review of survey responses, Grant Thornton inventoried services added, consolidations and license changes, reduced services due to low volumes and changes in industry trends around surgical weight loss, and changes to survey answers from prior years. These changes to previous answers were corrections based on prior misunderstanding of the DPH definitions of listed services and do not represent changes in actual services availability.

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.

⁹⁶ AOD Par. 91.

⁹⁷ Memorandum of Understanding dated December 30, 2022 by, between, and among the AGO and BILH concerning the closure of the North Shore Birth Center.

⁹⁸ AOD Par. 91.

⁹⁹ Exeter Hospital, located in New Hampshire, was not surveyed as it does not meet the AOD definition of BILH Hospital.

ii. North Shore Birth Center

a. NSBC MOU Paragraph 6.a¹⁰⁰

Paragraph 6.a outlines the requirement for BILH to engage a third party to perform a systematic review of the Beverly Hospital maternity program and implement policies and procedures consistent with the review's findings to improve access to high-quality midwifery care and low-intervention birthing services for patients in the Beverly Hospital service area.

Date Due: Third-party review due one year from the NSBC MOU date (December 30, 2023); annual reports due annually beginning two years from the NSBC MOU date and continuing throughout the Access Period (December 30, 2024 – February 28, 2027).

Testing Approach

In the Year 6 reporting period, Grant Thornton obtained and reviewed the third-party report of findings from the review of Beverly Hospital maternity program completed in December 2023 and confirmed that all required data points from the MOU were addressed in the third-party review. Responsive changes identified in the third-party report were inventoried for tracking future progress towards implementation of these goals.

The responsive changes identified in the third-party report are broken down into six categories of goals. During Year 7, BILH provided documentation of progress towards these responsive changes. The following summarizes actions taken by BILH during the Year 7 reporting period towards implementing these responsive changes:

1. Ensure Access to Low Intervention Care – Year 7 efforts included the continued use of the birth preference tool and the expansion of low-intervention birthing options. These options include access to the birthing tub, inclusion of doulas in the care team, use of nitrous oxide as an alternative pain management option, and additional low-intervention patient comfort tools.
2. Create Greater Patient Equity – Initiatives focused on engaging communities and patients where they live to expand opportunities for feedback. Birth preference tools continued to be available in Spanish, and the BILH Quality and Equity Council worked to increase equitable access to midwifery and doula care.
3. Further Incorporate the Patient's Voice – Year 7 efforts to advance this goal included continued use of the birth preference tool and expanded community outreach through the decentralized Patient and Family Advisory Council ("PFAC").
4. Develop Improved Tracking and Goals for Quality and Safety Measures – As of the end of Year 7, the BILH Maternal Safety Dashboard was established in EPIC, with Beverly Hospital statistics tracked against other BILH and EPIC hospitals. In addition, the Hospital participates in MassHealth's 1115 Waiver Health Equity Performance Improvement Project 2, which targets a reduction in maternal blood transfusion rates among patients.
5. Further Track and Understand Provider Access – During Year 7, the Hospital continued to refine methods for capturing and measuring adherence to birth preferences, specifically focusing on access to water births and midwife availability.

¹⁰⁰ NSBC MOU Par. 6.a.

6. Continue to Encourage a Collaborative Care Environment – Initiatives included increased collaboration among midwives, doulas, obstetrics providers, and other nursing staff through multidisciplinary taskforces and trainings and expanded participation in department meetings.

Result

Grant Thornton observed that BILH completed a third-party systematic review of the Beverly Hospital maternity program prior to the due date listed in the NSBC MOU of December 30, 2023 and is in compliance with this requirement. Additionally, Grant Thornton notes no instances of noncompliance with the requirement to report progress on responsive changes annually. This will continue to be monitored in subsequent reporting periods.

b. NSBC MOU Paragraph 6.b¹⁰¹

Paragraph 6.b requires BILH to ensure that in 2023 Beverly Hospital installs a birthing tub and trains all obstetricians, labor and delivery nurses, and certified nurse midwives on its use within 4 months of delivery of the tub.

Date Due: Installation of birthing tub due December 31, 2023; training of Beverly Hospital labor and delivery staff within four months of tub delivery; utilization report due within one year of the NSBC MOU date.

Testing Approach

During Year 6, Grant Thornton obtained and reviewed the DPH approval letter dated September 9, 2024, confirming Beverly Hospital to be in compliance with applicable state licensure requirements related to the birthing tub installed at the hospital. Grant Thornton notes the installation and operationalization of the birthing tub occurred after the due date listed in the NSBC MOU of December 30, 2023 but was completed as of the end of the Year 6 reporting period. Refer to Grant Thornton's Year 6 report for further details regarding the installation of the birthing tub.

Additionally, in Year 6, Grant Thornton received documentation indicating all relevant staff including registered nurses and obstetrics providers have completed necessary training on water birth and tub usage.

In Year 7, BILH provided a detailed log of birthing tub utilization which documented 82 patients requested water births, with 17 births occurring in the tub. The majority of the births that did not occur in the tub were due to patients opting for epidural, patients opting for delivery in bed, or due to clinical risk factors. Other occurrences noted limitations due to tub availability, provider availability, or equipment maintenance. Grant Thornton notes no

¹⁰¹ NSBC MOU Par. 6.b.

instances of noncompliance with the reporting of tub utilization and will continue to monitor in future reporting periods.

Result

As of the end of Year 6, Grant Thornton observed the birthing tub was successfully installed and operational (September 30, 2024), but BILH was not in compliance with the due date listed in the NSBC MOU of December 31, 2023. Grant Thornton observed that BILH has met the requirement that all required staff be trained on birthing tub usage within four months of tub delivery.

For Year 7, Grant Thornton reviewed BILH's documentation of birthing tub utilization and notes no instances of noncompliance relating to the requirement to report details of tub usage annually. This requirement will continue to be monitored in subsequent reporting periods.

c. NSBC MOU Paragraph 6.c¹⁰²

Paragraph 6.c outlines the requirement for Beverly Hospital to offer a commercially reasonable lease of the building, furnishings, and equipment of the NSBC to an independent certified nurse midwifery practice for a period of three years while community organizations work to create, expand, or reopen birth center services at a new location. The lease offer shall remain open for at least 12 months following the date of the MOU, up to 18 months for a prospective lessee provided that such a lessee gives notice of its interest within the initial 12-month period.

Date Due: Lease to be offered for 12 months from NSBC MOU date (December 30, 2023).

Testing Approach

In previous testing periods, Grant Thornton obtained and reviewed the NSBC facility lease posting and confirmed the lease application was made available on the NSBC website and communicated to community stakeholders. BILH noted no interest or lease applications were received in the 12-month period following the MOU date and the lease application has since been closed. No further testing was completed for this requirement. Refer to Grant Thornton's Year 6 report for further details.

Result

Grant Thornton confirmed a lease for the NSBC facility was made available for at least 12 months following the MOU date and no interest was received during that time. As such, Grant Thornton observed that BILH has met the requirements of NSBC MOU Paragraph 6.c as of the Year 6 reporting period.

¹⁰² NSBC MOU Par. 6.c.

d. NSBC MOU Paragraph 6.d¹⁰³

Paragraph 6.d requires BILH to provide \$1.5 million in financial support to one or more community organizations to create, expand, or reopen birth centers licensed by DPH during the AOD Access period.

Date Due: Access Period (December 30, 2022 – February 28, 2027), monitored annually.

Testing Approach

Grant Thornton obtained and reviewed invoice and payment documentation supporting the disbursement of funds to one or more community organizations to create, expand, or reopen birth centers licensed by DPH.

Grant Thornton confirmed no investments were made during Year 7 towards the overall NSBC MOU’s investment requirement of \$1.5 million as grant recipients continued to work towards final milestones. Therefore, the investment total remains at \$999,999. In previous reporting periods, these funds were distributed as part of grant agreements to CHA towards the reopening of Cambridge Birth Center and to Neighborhood Birth Center towards the opening of a freestanding birth center.

Result

Grant Thornton notes no investments towards the \$1.5M investment requirement to provide support to create, expand, or reopen birth centers were paid during the period of October 1, 2024 to September 30, 2025. The cumulative investment total remains at \$999,999. As this requirement is not due until the end of the AOD Access Period, no determination of compliance is required at this time.

e. NSBC MOU Paragraph 6.e¹⁰⁴

Paragraph 6.e outlines the requirements for BILH in establishing a system-wide Maternal Quality Council – with representation across hospitals to improve patient experience, quality and safety, health equity, and population health outcomes. The Council will actively incorporate input from Patient and Family Advisory Councils and public health experts. The Council will meet at least quarterly and publish an annual report.

Date Due: Access Period (December 30, 2022 – February 28, 2027), monitored annually.

Testing Approach

Grant Thornton obtained and reviewed the agendas, presentation materials, and minutes from the Maternal Health Quality and Equity Council (“MHQEC”) meetings held during the Year 7 reporting period. Five meetings were held during the year with agendas focused on discussion of subcommittee goals, the maternal health dashboard, doula integration into patient care, transfer of care drills, and other trainings and events.

¹⁰³ NSBC MOU Par. 6.d.

¹⁰⁴ NSBC MOU Par. 6.e.

Additionally, Grant Thornton reviewed the MHQEC FY25 Annual Report which gave an overview of the goals of the Council to “improve maternal health outcomes and eliminate inequities in care, with an overarching goal of reducing the occurrence of maternal morbidity and mortality”. The report notes the Council met regularly with representatives across BILH Hospitals and system leadership. The key focus areas and accomplishments during the Year 7 reporting period focused on equitable access to doula and midwifery, perinatal mental health, and severe maternal morbidity.

Result

Grant Thornton observed that the MHQEC continued to meet during the Year 7 reporting period and explored opportunities to improve patient experience, quality and safety, and health equity. As such, Grant Thornton notes no instances of non-compliance with the requirements of NSBC MOU Paragraph 6.e.

f. NSBC MOU Paragraph 6.f¹⁰⁵

Paragraph 6.f: “Expanding the midwifery services offered by Beverly Hospital and the Northeast Medical Practice. BILH will hire at least three additional non OB/GYN clinicians to support maternal care within those practices by the end of the AOD Access Period, including at least one additional midwife at the Northeast Medical Practice Salem location within one year of the MOU date. At the Lynn practice, Northeast Medical Practice will work to expand its Spanish language service offerings within one year of the MOU date. If the third-party review of Beverly Hospital’s maternity care described in Section 6(a) of this Memorandum identifies unmet needs for midwives to support labor and delivery at Beverly Hospital, BILH will hire at least two additional midwives to work in labor and delivery at Beverly Hospital by the end of the AOD Access Period.”

Due Date: Hiring of one additional midwife at NMP Salem and expansion of Spanish language service offerings at NMP Lynn due within one year of the NSBC MOU date (December 30, 2023); hiring of three additional non-OB/GYN clinicians due by end of AOD Access Period (December 30, 2022 – February 28, 2027), monitored annually.

Testing Approach

Grant Thornton reviewed a summary of hired positions at the NMP Lynn and Salem practices, as well as current employee rosters, as of September 30, 2025, for both locations to compare against the baseline established as of December 30, 2022. BILH provided a listing of hired positions including a bilingual obstetrics registered nurse hired at Lynn, a certified nurse midwife providing coverage at both practices, and a bilingual obstetrics Educator for the Lynn practice. Grant Thornton notes that BILH defines a non-obstetrics and gynecology (“OB/GYN”) clinician as “a licensed or certified clinician that provides direct patient care.” Through review of the initial and current employee rosters for the NMP Lynn and Salem practices, Grant Thornton confirmed that these individuals were hired in the Year 6 reporting period and retained through the Year 7 reporting period. As of the Year 6 reporting period BILH met the requirements for hiring three additional non-OB/GYN clinicians.

¹⁰⁵ NSBC MOU Par. 6.f.

Furthermore, the requirement to hire three non-OB/GYN clinicians requires the hiring of at least one additional midwife at the NMP Salem practice within one year of the MOU date (December 30, 2023). Grant Thornton confirmed that BILH hired a midwife at this location as of September 30, 2024; however, the hiring of an individual for this position was completed following the original deadline outlined in the NSBC MOU. Refer to Grant Thornton's Year 6 report for further details regarding hiring of this individual.

In addition, the MOU requires BILH to expand Spanish language service offerings at the Northeast Medical Practice – Lynn location within one year of the MOU date. In Year 6, Grant Thornton obtained and reviewed the initial rosters with language capabilities for both the Lynn and Salem practices and compared to updated rosters as of September 30, 2024. Through this review, Grant Thornton identified one additional bilingual Medical Assistant and one additional bilingual Registered Nurse at the Lynn Practice. Additionally, BILH continues to seek professionals with Spanish speaking capabilities for open roles and provides interpreting services through iPads.

The MOU also requires BILH to report Spanish language capabilities throughout the remainder of the Access Period. For Year 7, Grant Thornton reviewed a roster with language capabilities for both Lynn and Salem practices as of September 30, 2025 and observed a slight decline in language capabilities at the Lynn practice due to the departure of several bilingual FTEs; however, BILH confirmed these positions have since been replaced by bilingual staff. Therefore, Grant Thornton notes no instances of noncompliance and will continue to monitor Spanish language capabilities at both the Salem and Lynn practices throughout the Access Period.

Result

Grant Thornton observed through review of current employee rosters at NMP Lynn and NMP Salem that the MOU requirement to hire three non-OB/GYN clinicians by the end of the Access Period has been met as three positions have been hired and retained as of September 30, 2025. This requirement also included the hiring of at least one additional midwife at NMP Salem. Grant Thornton confirmed that as of September 30, 2024 this role has been filled and BILH is currently in compliance with this requirement; however, BILH was not in compliance as of the due date listed in the NSBC MOU of December 30, 2023.

Further, MOU Paragraph 6.f requires NMP Lynn expand Spanish language service offerings within one year of the MOU date. Grant Thornton notes that Spanish language capabilities expanded from the baseline capacity at the NMP Lynn practice through hiring of bilingual staff and availability of interpreting services. As such, BILH has met this requirement. Grant Thornton will continue to monitor Spanish language capabilities at both the Salem and Lynn practices in subsequent testing periods.

g. NSBC MOU Paragraph 6.g¹⁰⁶

Paragraph 6.g requires Beverly Hospital to enhance the capacity of its OB/GYN providers to identify and address post-partum mental health and substance use disorders, including training on access and encouraging utilization of Massachusetts Child Psychiatry Access Program for Moms.

Date Due: Access Period (December 30, 2022 – February 28, 2027), monitored annually.

Testing Approach

During the Year 5 testing period, Grant Thornton requested and obtained detail regarding the baseline capabilities of Beverly Hospital’s OB/GYN providers in identifying and addressing post-partum mental health and substance use disorders as of the MOU date. For the Year 7 reporting period, Grant Thornton requested documentation of progress made to enhance the capacity to improve care for patients with post-partum mental health issues and substance use disorders beyond the baseline.

BILH provided detail regarding efforts in Year 7 to expand post-partum mental health and substance use disorder capabilities including collaborative and evidence-based initiatives. In Year 7, the OB/GYN team conducted chart reviews monthly to identify high risk patients and provide outreach to connect patients to appropriate resources, the Edinburgh Postpartum Depression Scale was used more widely in hospital admissions and outpatient postpartum visits to provide resources, and Massachusetts Child Psychiatry Access Program for Moms (“MCPAP”) was regularly utilized by providers to support clinical decision-making, care planning, and connection to appropriate behavioral health resources. Additionally, the Beverly Hospital postpartum team launched an initiative to enhance patient education through more casual conversations and relatable discussions about maternal mental health through the “Get Your Pink Back” campaign leading to an observed increase in anxiety and depression diagnoses. Nursing leadership and interdisciplinary team members continued to work towards the ongoing goal to provide equitable, targeted information to all birthing persons.

Result

Grant Thornton finds no evidence of noncompliance by BILH with the requirement in NSBC MOU Paragraph 6.g that it enhance the capacity of its OB/GYN providers to identify and address post-partum mental health and substance use disorders.

h. NSBC MOU Paragraph 6.h¹⁰⁷

Paragraph 6.h requires Beverly Hospital to establish a Maternal-Newborn Patient and Family Advisory Council (PFAC) to connect maternal and newborn caregivers with patients and family members. The Maternal-Newborn PFAC will meet at least quarterly.

Date Due: Access Period (December 30, 2022 – February 28, 2027), monitored annually.

¹⁰⁶ NSBC MOU Par. 6.g.

¹⁰⁷ NSBC MOU Par. 6.h.

Testing Approach

Grant Thornton requested documentation of activities undertaken during the Year 7 reporting period related to the activities and efforts of the Maternal-Newborn PFAC. In Year 6, BILH noted the decision to form smaller, decentralized focus groups, rather than a formalized traditional PFAC, and community engagement to ensure patient voices remain central to care planning and improvement efforts, which continued in Year 7. Four decentralized PFAC meetings were held in calendar year 2025, resulting in enhancements including increased access to lactation support, better signage for patients at lactation clinics, options for nurses or other support staff to order food following delivery, availability of information prenatally about breastfeeding, and education about car seats. Additionally, Beverly Hospital strengthened PFAC engagement through doula engagement to provide valuable feedback in the maternity care model.

Result

Grant Thornton finds no evidence of noncompliance by BILH with the requirement in NSBC MOU Paragraph 6.h to establish a Maternal-Newborn PFAC at Beverly Hospital.

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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 92-93¹⁰⁸

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.¹⁰⁹ 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.”

¹⁰⁸ AOD Par. 92-93.

¹⁰⁹ 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, Grant Thornton obtained an attestation from BILPHN confirming that all providers are participating in MassHealth as of September 30, 2025. Grant Thornton notes that all providers in the BILH system participating as of the Filing Date participated as of year-end, and all BILH Facilities in the BILH system participating as of the Filing Date continued 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 94¹¹⁰

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."¹¹¹

Based on discussions with BILH management and confirmed through review of supporting attestations from provider organizations, all providers in the BILH system 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. Refer to Grant Thornton's Year 2 report for further details. All providers continued to participate as of September 30, 2025.

Result

Grant Thornton notes all providers in the BILH system applied to participate in MassHealth within three years of the Filing Date as required by the AOD. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 94 of the AOD.

¹¹⁰ AOD Par. 94.

¹¹¹ Determination of Need Application, "NEWCO-17082413-TO," amended and approved by the DPH, October 2018.

c. Paragraph 95¹¹²

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

Grant Thornton found during Year 1 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 other governmentally-insured patient. This was reaffirmed during Year 7 testing by BILH, stating that BILH does not have any such policies placing a cap on the number of MassHealth patients that it serves and there have been no changes to any such 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, 2024 and September 30, 2025.

d. Paragraphs 96-97¹¹³

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 (March 1, 2019 – February 28, 2027), 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 (March 1, 2019 – February 28, 2027), monitored annually.

Testing Approach

In the Year 7 reporting period (October 1, 2024 – September 30, 2025) BILH continued to implement the marketing and advertising programs developed in Year 4 under AOD Paragraph’s 96 & 97.

¹¹² AOD Par. 95.

¹¹³ AOD Par. 96-97.

In accordance with Paragraph 96, BILH continued to implement its marketing and advertising plans focused on community outreach and expansion of access to MassHealth. BILH provided a summary of marketing campaigns including a “Top Doctors” campaign featuring multilingual digital and radio advertising available in English, Spanish, and Mandarin to help patients connect with providers. The system continued its monthly newsletter in Year 7, reaching over one million contacts as of the end of the fiscal year. This newsletter is governed by an advisory committee made up of clinicians across the BILH System and is made available in seven languages.

In accordance with Paragraph 97, BILH continued its marketing and advertising efforts for NEBH through multilingual advertising campaigns to expand MassHealth access to its specialty orthopedic program through digital, print, transit, and radio advertising. Specifically, NEBH advertised through Bikeshare posters strategically placed across Mission Hill, Roxbury, Dorchester, and Mattapan. Throughout Year 7, BILH engaged in outreach initiatives by participating in large scale community events, hosting resident focused information sessions at community housing facilities, and collaborating through community partnerships to engage in dialogue with key community leaders and residents.

Refer to Grant Thornton’s previous Monitoring Reports for the prior progress made by BILH towards the requirements in AOD Paragraphs 96 and 97.

Result

The AOD does not specify a time period for complying with these efforts, but it 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.

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.¹¹⁴

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 98-99¹¹⁵

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)

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: Beginning two years after the Closing Date through the Access Period (March 1, 2021 – February 28, 2027).

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, 2025 BILH

¹¹⁴ AOD Par. 98.

¹¹⁵ AOD Par. 98-99.

provided direct financial support to the following CHCs and SNAs: Charles River Community Health Center, The Dimock Center, Fenway Community Health Center, Outer Cape Health Services, South Cove Community Health Center, and CHA. Based on discussions with BILH management, BILH's investments in SNAs are based, in part, out of agreements with hospitals in which BILH leases physician staff at subsidized rates to SHC. 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 BIDMC. Additionally, per Donor Commitment Agreements between BIDMC and CHA, BILH provides direct financial support to CHA.

Grant Thornton requested and received invoices, check support, bank reconciliations, and general ledger detail with source descriptions to support the disbursement of funds by BILH to CHCs and SNAs. 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 BILH for the Year 7 reporting 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. For the Year 7 testing period, Grant Thornton identified two investments that were previously included in the BILH investment total for Year 7, but were not included in the recalculated total confirmed by Grant Thornton as payment did not occur until after the period end. These invoices will be counted in the Year 8 investment total.

With respect to Bowdoin Street Health Center, Grant Thornton analyzed a series of related financial schedules provided by BILH that depicts excess expenses over revenue for the period (October 1, 2024 to September 30, 2025). Grant Thornton agreed the reported Bowdoin Street Health Center net revenue to supporting schedules provided by BILH. BILH management attested that net revenue for services provided at the clinic were not recorded elsewhere within BIDMC. No further testing was performed on net revenue.

In Year 1 through Year 5, BILH allocated costs to Bowdoin Street Health Center by multiplying the respective unit cost multiplier for each overhead cost category from BIDMC's prior year Medicare Cost Report by the allocation metric for each overhead category. For Year 6 and Year 7, BILH allocated indirect costs through its Axiom cost accounting system which allows the detailed allocation of overhead expenses to the related departments based on adjusted expenses or gross charges. Grant Thornton received a summary of the total costs incurred by BIDMC in the prior year and allocation percentage to Bowdoin Street and confirmed this methodology aligned with the indirect costs reported. Additionally, all direct costs were tied from the provided summary schedule to general ledger detail.

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

Refer to Grant Thornton's prior reports for BILH's previous investments made during Year 1 through Year 6 towards the requirements in AOD Paragraphs 98 and 99 for the time period between the Filing Date and September 30, 2024.

Based on the above testing, Grant Thornton confirmed BILH contributed an additional \$12,434,452 between October 1, 2024 and September 30, 2025, amounting to a cumulative total investment of \$60,970,969. During Year 6, BILH met the investment threshold of \$40.96 million in AOD Paragraph 98. Therefore, any investments in CHCs and SNAs made by BILH

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in excess of the requirement in AOD Paragraph 98 are applicable to the requirements of AOD Paragraph 99, which requires BILH to distribute at least \$8.8 million in additional direct financial support to CHCs and SNAs during the Access Period. As a result, the total investment made towards Paragraph 99 as of the end of Year 7 totals \$20,010,969, surpassing the \$8.8 million requirement. Further, Grant Thornton confirmed the \$22,855,456 investment disbursed between October 1, 2023 and September 30, 2025 meets the \$4.096 million biannual contribution requirement.

| 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 |
| October 1, 2020 to September 30, 2021 | 8,075,000 |
| October 1, 2021 to September 30, 2022 | 8,345,754 |
| October 1, 2022 to September 30, 2023 | 10,317,717 |
| October 1, 2023 to September 30, 2024 | 10,421,004 |
| October 1, 2024 to September 30, 2025 | 12,434,452 |
| Total Investment | \$60,970,969 |

Result

Grant Thornton determined that as of the end of Year 6, BILH surpassed the total investment threshold of AOD Paragraph 98 requiring \$40.96 million to be invested toward CHCs and SNAs over the Access Period. As the total investment requirement of Paragraph 98 has been surpassed, any excess funds are applicable to the requirement outlined in Paragraph 99 that BILH distribute at least \$8.8 million in additional direct financial support to CHCs and SNAs during the Access Period.

Grant Thornton notes investments in CHCs and SNAs for the period October 1, 2024 to September 30, 2025 of \$12,434,452 amounting to a total investment of \$60,970,969. As a result, the total investment made towards Paragraph 99 totals \$20,010,969, surpassing the \$8.8 million requirement. Therefore, as of the end of Year 7, BILH met the requirements of Paragraph 99.

Additionally, Grant Thornton notes BILH's contribution of \$22,855,456 between October 1, 2023 and September 30, 2025 is in excess of the minimum biannual contribution threshold of \$4.096 million. Grant Thornton will continue to monitor this biannual requirement in future testing periods.

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ii. Community Investments

a. Paragraph 101¹¹⁶

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 requested and received grant agreements, invoices and proof of payment to support the disbursement of funds by BILH to expand access to needed health care services for communities of color and low-income communities in Gateway Municipalities. Grant Thornton notes investments made through grant funding towards the requirement of expanding access to health care services in Gateway Municipalities for the period October 1, 2024 to September 30, 2025 amount to \$491,906.

In addition to grants issued by BILH in Year 7, BILH Primary Care collaborated with AJH to develop an urgent care facility in Haverhill, a Gateway Municipality per M.G.L. Chapters 23A, § 3A, which opened at the end of the reporting period. This community is underserved relative to primary care supply being able to accommodate demand. The urgent care center operates a hybrid model to serve as an adjunct to BILH Primary Care Practices. BILH provided a summary schedule for capital investment along with clinical staffing costs for this facility totaling \$616,197 for Year 7, which Grant Thornton validated through invoices, proof of payment, and payroll schedules. These investments, along with the grants noted above, bring the cumulative total investments that count toward the \$5 million investment requirement set forth by Paragraph 101 to \$2,813,511.

In prior periods, the AGO clarified that “Community Investments”, which are described in AOD Paragraph 101, should include community health investments and charity care provided, but do not include social determinants of health, such as food and housing support as it does not comport with the language of this AOD provision. During Year 6, Grant Thornton performed a review of previously reported investments and identified several investments that should not have been included as they were related to social determinants of health. This resulted in a correction to the reported investment total included in the Year 5 report. The totals presented in this report reflect that corrected total.

Result

BILH continues to make progress toward the \$5 million investment requirement in communities of color and low-income communities specified by Paragraph 101 of the AOD. There is no determination of compliance required by the AOD as of September 30, 2025. A determination will be made in a subsequent report.

¹¹⁶ AOD Par. 101.

iii. Hiring

a. Paragraphs 103-104¹¹⁷

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

Paragraph 103 no longer applies to the current reporting period (October 1, 2024 – September 30, 2025), as the requirement expired March 1, 2020. As such, Grant Thornton performed no testing related to Paragraph 103.

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 Year 7 reporting period, nor was Grant Thornton notified by any Safety Net Hospital that BILH solicited any Departments.

Result

Grant Thornton did not observe any evidence of BILH actively soliciting a department of a Safety Net Hospital between October 1, 2024 and September 30, 2025 as defined by the requirements of Paragraph 104. As such, Grant Thornton notes no evidence of noncompliance with these Paragraphs as of September 30, 2025.

¹¹⁷ AOD Par. 103-104.

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 its 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 Clinically-Integrated Network (“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.¹¹⁸

i. Community Health Centers

a. Paragraph 105¹¹⁹

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, 2025 and notes that between October 1, 2024 and September 30, 2025, all CHC affiliation agreements were renewed on substantially similar terms and remained in effect. All agreements contain consistent language with those in effect in the prior year. There has been no material reallocation of funds during the period of

¹¹⁸ AOD Par. 25.

¹¹⁹ AOD Par. 105.

October 1, 2024 to September 30, 2025, as all CHCs continued to hold active agreements with BILH during the year and no affiliations were discontinued.

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 all affiliation agreements were renewed and contain consistent language with those in effect in prior years. This requirement will be reassessed, as applicable, in subsequent reporting periods as affiliation agreements are renewed.

b. Paragraph 106¹²⁰

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 Community Care Alliance ("CCA"), a committee consisting of 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 of discussion at these meetings relate to BILH business planning with CHC affiliates as well as 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.

Based on analysis of CCA meeting agendas and additional support provided by BILH, BILH has collaborated with CHCs on community health needs, and has continued to track mutually established metrics at each CHC to improve quality in delivery of services that are relevant to the current health needs of each CHC's service area.

¹²⁰ AOD Par. 106.

Result

Grant Thornton found in its Year 2 report that BILH had satisfied AOD Paragraph 106 by complying with these requirements by the March 1, 2020 deadline. BILH has continued to meet these requirements as of September 30, 2025. Compliance with these requirements must continue throughout the Access Period and will be reassessed in future reporting periods.

c. Paragraph 107¹²¹

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 documentation provided by BILH, BILH continues to explore opportunities with CHCs in Essex and Middlesex Counties by engaging in regular discussions and acting on initiatives with these health centers, including Greater Lawrence Community Health Center and North Shore Community Health Center.

During the Year 7 reporting period, BILH renewed its MOU with North Shore Community Health Center continuing a formal relationship between the entities. BILH and health center staff continued the telehealth referral program between BILH specialty physicians and health center primary care patients. BILH leaders continue to meet with leadership at Greater Lawrence Community Health Center to explore opportunities for collaboration which included sponsorship of Greater Lawrence Health Center’s 45th Anniversary Celebration in May of 2025. Additionally, BILH continued to offer ad hoc technical support to staff at both health centers to support BILH’s Epic go-live and ensure lab results are flowing without issues.

Result

Grant Thornton finds BILH has complied with the requirement that it begin exploring opportunities to expand clinical and financial support to CHCs in Essex and Middlesex Counties within two years of the Closing Date. Grant Thornton will continue to monitor additional progress toward this requirement in subsequent reports.

¹²¹ AOD Par. 107.

ii. Safety Net Affiliates

a. Paragraph 108¹²²

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, 2027)

Testing Approach

During the period October 1, 2024 through September 30, 2025, BILH’s affiliation agreements with CHA and SHC did not change. BILH provided an attestation confirming all agreements previously reviewed remain in effect.

On June 1, 2022, Lawrence General Hospital (“LGH”) terminated its Clinical Affiliation Agreement with BILH. According to AOD Paragraph 108, should any of the SNAs choose to discontinue its affiliate relationship with BILH, any funds that BILH would have used to meet its financial obligations to that SNA must be reallocated towards BILH’s other obligations under Paragraphs 92-122. Through review of Year 7 investment materials, Grant Thornton observed that despite LGH terminating its affiliation with BILH, BILH has maintained the same level of overall financial support each subsequent year pursuant to the requirements in **Section D** for SNAs and CHCs, thereby satisfying the reallocation of funds requirement in AOD Paragraph 108 in relation to LGH’s termination of its Clinical Affiliation Agreement with BILH.

Result

Grant Thornton observed the SNA affiliation agreements with CHA and SHC remain in effect as of the end of the Year 7 reporting period. Despite LGH terminating its affiliation with BILH in Year 4, BILH has maintained the same level of total investments from Year 4 through Year 7 thereby satisfying the reallocation of funds requirement in AOD Paragraph 108. As such, Grant Thornton notes no evidence of BILH’s noncompliance with the requirements set forth in Paragraph 108.

¹²² AOD Par. 108.

b. Paragraph 109¹²³

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, 2027)

Testing Approach

Grant Thornton obtained and analyzed a listing of services provided at each SNA and compared it to the listing from the prior year. Through this analysis, Grant Thornton observed that BILH discontinued its support of two services at CHA during Year 7 while one additional service was added. BILH provided further detail regarding these changes stating that changes to ICU and OB/GYN coverage were due to CHA hiring their own physicians and no longer requiring BILH support. BILH began providing coverage for medical oncology during Year 7. Grant Thornton notes no instances of noncompliance with this change in services as additional services were added and Paragraph 109 allows services to be discontinued as long as the historical level of financial support is maintained. No changes occurred to the coverage provided at SHC during the Year 7 period.

Result

BILH has maintained support of the same clinical services at SHC, and while support of two services at CHA was discontinued, one service was added and historical financial support remained the same. As such, 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 110¹²⁴

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, 2027)

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. Grant Thornton inquired during interviews with SNA leaders in Year 2 about the level of assistance with PCP recruitment provided by BILH to the SNAs. All confirmed that

¹²³ AOD Par. 109.

¹²⁴ AOD Par. 110.

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. BILH management confirmed that PCP recruitment assistance is available to the SNAs as needed. During Year 7, CHA did not request support for PCP recruitment, but this service was provided to SHC.

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 111¹²⁵

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, Harvard Medical Faculty Physicians ("HMFP"), and the SNAs (CHA 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. BILH's third SNA, LGH, disaffiliated from BILH as of February 1, 2022, and is no longer subject to the requirements of AOD Paragraph 111.

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.

¹²⁵ AOD Par. 111.

e. Paragraph 112¹²⁶

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.”

Grant Thornton requested meeting agendas and minutes for any combined committee or other collaborative meetings held with SNAs during Year 7. BILH provided agendas and minutes for CHNA Implementation Strategy Meetings in which CHA participated, but confirmed no other meetings were held with the SNAs in Year 7 due to ongoing contract negotiations.

Through further discussion with BILH leadership, Grant Thornton confirmed that, despite the lack of formal meetings, ongoing collaboration continued with both SNAs. During Year 7, BILH collaborated with CHA on care coordination and behavioral health initiatives, including transfer support, shared specialty services, and joint community engagement through the MAH Community Benefits Advisory Committee. BILH’s collaboration continued with SHC with bi-weekly meetings with leadership to maintain existing initiatives, explore new opportunities such as a potential ASC joint venture, and coordinate on community health needs assessment and education efforts.

AOD Paragraphs 112(b) and 112(c) specify requirements for collaboration between the SNAs and BILH in determining investment priorities, and meaningful participation of the SNAs in community health needs assessments, both within one year of the Closing Date. BILH has

¹²⁶ AOD Par. 112.

continued to comply with these paragraphs through collaboration and continued involvement in joint initiatives during the reporting period.

Result

Grant Thornton finds no evidence of noncompliance with the requirements in Paragraphs 112(a), 112(b), or 112(c). Compliance with these paragraphs will continue to be assessed in subsequent reports.

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iii. Joint Contracting Safety Net Affiliates

a. Paragraphs 113 & 118¹²⁷

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, 2027)

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, 2027)

Testing Approach

Grant Thornton obtained the Physician Organization Participation Agreement and Hospital Participation Agreements among BILHPN, BIDCO Physician LLC, and CHA (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.¹²⁸ 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.¹²⁹

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.”¹³⁰

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.”¹³¹

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

¹²⁷ AOD Par. 113, 118.

¹²⁸ Physician Organization Participation Agreement, Beth Israel Lahey Performance Network, LLC, effective July 30, 2019.

¹²⁹ Hospital Participation Agreement. Beth Israel Lahey Health Performance Network, LLC.

¹³⁰ *Ibid.*

¹³¹ *Ibid.*

efforts to include the hospitals in every Payer Contract, which places BILH Hospitals and the Joint Contracting SNAs in an equal position.¹³²

The existence of these documents provides 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.

Result

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

b. Paragraphs 114-115¹³³

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, 2027)

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, 2027)

Testing Approach

BILH and BILHPN have established Participation Agreements with the Joint Contracting SNAs (CHA) 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

¹³² Hospital Participation Agreement. Beth Israel Lahey Health Performance Network, LLC.

¹³³ AOD Par. 114-115.

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 Paragraphs 114 and 115, respectively. As such, Grant Thornton finds no evidence of BILH’s noncompliance with this component of the AOD.

c. Paragraph 116¹³⁴

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, 2027)

Testing Approach

Through review of the composition of the BILHPN Board of Managers and 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.

d. Paragraph 117¹³⁵

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, 2027)

Testing Approach

Per Paragraph 117, any Joint Contracting SNA and any BILH Hospital with a Statewide Relative Price (“S-RP”) of less than 0.85 must receive a rate increase equal to or greater than the total Commercial Unit Price Rate of Increase for a respective contract.

¹³⁴ AOD Par. 116.

¹³⁵ AOD Par. 117.

During Year 3 testing, BILH and the AGO jointly agreed to amend Paragraph 117 of the AOD to specify which hospitals are subject to the requirement.¹³⁶ The AGO confirmed the intention of Paragraph 117 is that it apply only to the Joint Contracting SNAs and those BILH Hospitals that had an S-RP less than 0.85 as defined and calculated by CHIA as of the date the AOD was signed. This provision identifies that CHA, BID Milton, and AJH are subject to this requirement. BILH and the AGO also agreed to an amendment detailing the remedy BILH may make should a hospital receive a rate increase that is not equal to or greater than the total Commercial Unit Price Rate of Increase.¹³⁷ BILH may satisfy this requirement by transferring funds in the amount of the difference between what the hospital would have received if it had received a rate increase equal to the total Commercial Unit Price Rate Increase for the contract and what it did receive under the negotiated contract.¹³⁸

Grant Thornton reviewed any BILH Payer contracts negotiated in Year 7 which included CHA and the two BILH hospitals identified for compliance with the requirements of Paragraph 117. Grant Thornton observed that for all four contracts, each of the identified SNAs and BILH hospitals received a rate increase greater than or equal to the Commercial Unit Price Rate of Increase of those contracts.

Result

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

¹³⁶ Email communication from AGO to Grant Thornton and BILH, dated February 25, 2022.

¹³⁷ Ibid.

¹³⁸ Ibid.

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 119¹³⁹

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 since the Closing Date and between October 1, 2024 and September 30, 2025 were focused on the Collaborative Care Model (“CoCM”) (also referred to as the IMPACT model), CBM Program, MAT, and NBH d/b/a Beth Israel Lahey Health Behavioral Services Community Crisis Stabilization (“CCS”) (refer to **Section G** below for additional information).

Grant Thornton determined that as of the end of the Year 5 reporting period (September 30, 2023), BILH was in compliance with the requirements outlined in AOD Paragraph 119 that it invest at least \$16.9 million in behavioral health services during the Access Period as the cumulative investments of \$21,189,151 surpassed the required investment threshold of \$16.9 million stated in the AOD.

Grant Thornton confirmed through a summary provided by BILH management that investment initiatives for behavioral health have continued during the Year 7 reporting period. These investments include more than \$5.4 million towards expanding the collaborative care program into four additional physician practices, continued availability of MAT programs, and more than \$1,000,000 in costs relating to centralized bed management. Grant Thornton did not validate the investment spending described in this summary as BILH previously surpassed the investment threshold outlined in Paragraph 119 during the Year 5 reporting period.

¹³⁹ AOD Par. 119.

Result

During the Year 5 reporting period, Grant Thornton observed that BILH met the requirement outlined in Paragraph 119 that it invest at least \$16.9 million in behavioral health services during the Access Period as BILH made cumulative investments in behavioral health services of \$21,189,151 as of September 30, 2023, surpassing the required investment threshold of \$16.9 million stated in the AOD. Grant Thornton notes BILH continued to make investments in its behavioral health initiatives during the Year 7 reporting period.

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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 (also referred to as CoCM) 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 120¹⁴⁰

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

In Year 1, BILH provided a narrative that states, “the goal of the Collaborative Care Program is to provide access to behavioral health treatment in partnership with medical providers” (e.g., PCPs). Additionally, BILH defined the five core principles of the program as including: patient centered team care, population-based care, measurement-based treatment, evidence-based care, and accountable care. BILH reaffirmed during Year 7 testing that this definition has not changed for the current reporting period.

Grant Thornton obtained and analyzed documentation from the current reporting year related to the IMPACT model, including confirmation that executive committee meetings are no longer in place, but have been implemented into daily operational huddles for the clinics. Additionally, orientation guidelines were provided outlining the 2-week orientation process and self-guided training modules.

Grant Thornton previously obtained a timeline of the CoCM implementation outlining BILH’s current progress and future plans for the expansion of the CoCM. The timeline is broken out into five phases (i.e., Project Year 1 – Project Year 5) with a list of PCP sites that have completed implementation of CoCM or plan to implement CoCM in the upcoming

¹⁴⁰ AOD Par. 120.

project years. In Year 4 BILH met the requirement specified in Paragraph 120(a) that it shall extend the IMPACT Model to 50% of BILH Primary Care Practices within three years of the Closing Date, or March 1, 2022.

Paragraph 120(b) requires that the IMPACT Model be extended to 100% of BILH PCP sites within 5 years of the closing date. This includes the 76 practices that were in existence as of the closing date. Practices added since the closing date are beyond the scope of this requirement. As of March 1, 2024, two employed primary care practices were not participating in the IMPACT Model. All other practices have implemented the BILH CoCM Model with the exception of one practice using a third-party vendor to provide comparable services.

As of the end of Year 6, the remaining two PCP sites were not in compliance due to pending Epic implementation transitions scheduled for FY25. As of September 30, 2025, the end of Year 7, the remaining two PCP practices have integrated the BILH CoCM model following the completion of the Epic implementation. As such, Grant Thornton determined that BILH did not meet the requirement in Paragraph 120(b) by the specified due date of March 1, 2025 as two PCP sites were delayed; however, BILH is now in compliance with this requirement to implement the BILH CoCM model at 100% of BILH Primary Care Practices as of the end of Year 7. Grant Thornton verified participation of the two new PCP sites by reviewing onboarding meeting sign-in sheets, training registrations, psychiatrist attestations, and patient registry data for each site.

Paragraph 120(c) no longer applies to the current testing period (October 1, 2024 – September 30, 2025), as the requirement expired March 1, 2021. In our Year 3 report, Grant Thornton determined that BILH had met the requirement specified in Paragraph 120(c) that it perform a study of the feasibility of expanding the IMPACT Model to the CHC affiliates within two years of the Closing Date, or March 1, 2021. Refer to Grant Thornton's Year 3 report for further details.

Result

In Year 4 BILH met the requirement in Paragraph 120(a) that it shall extend the IMPACT Model to 50% of BILH Primary Care Practices within three years of the Closing Date, or March 1, 2022.

Paragraph 120(b) requires that the IMPACT Model be extended to 100% of BILH PCPs within 5 years of the closing date (March 1, 2024). As of the end of Year 7, Grant Thornton determined that BILH is currently in compliance with this requirement as all 76 PCP sites that existed as of the Closing Date have implemented the IMPACT model; however, two PCP sites were delayed in integration and did not meet the March 1, 2024 deadline specified in the AOD.

Grant Thornton notes the requirement in Paragraph 120(c) that BILH perform a study of the feasibility of expanding the IMPACT Model to the CHC affiliates no longer applies as BILH met this requirement when it expired on March 1, 2021.

ii. Centralized Bed Management Program

a. Paragraph 121¹⁴¹

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

In the Year 2 report, Grant Thornton concluded that BILH had met the requirement specified in Paragraph 121 that it extend the CBM Program to all BILH Hospitals and other BILH Facilities that provide inpatient behavioral health treatment within three years of the Closing Date. Refer to Grant Thornton’s Year 2 report for further detail.

Grant Thornton monitored the status and implementation plan for the CBM Program through discussions with BILH behavioral health management. BILH management confirmed that the consolidation of the CBM Program into the behavioral health management teams’ daily operations was extended into Year 7 and all future reporting periods, making executive committee meetings no longer warranted. BILH provided documentation of continued efforts to extend the CBM program during the period of October 1, 2024 through September 30, 2025 including integration of behavioral health emergency services in ten BILH hospitals, centralized bed-finding, and patient safety and quality monitoring. Grant Thornton will continue to monitor BILH’s compliance with this requirement through the end of the Access Period.

Result

BILH has met the requirement set forth in Paragraph 121 that it extend the CBM Program to all BILH Hospitals and Facilities that provide inpatient behavioral health treatment within three years of the Closing Date, or March 1, 2022. Grant Thornton will continue to assess this requirement through the remainder of the Access Period.

iii. Bridge Clinics/MAT

a. Paragraph 122¹⁴²

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.

¹⁴¹ AOD Par. 121.

¹⁴² AOD Par. 122.

Testing Approach

As of September 30, 2019, BILH stated that three Bridge Clinics existed within BILH, in which patients with an opioid use disorder (“OUD”) could access same day enrollment in a MAT program. In the Year 5 reporting period, Grant Thornton observed the Bridge Clinic at MAH was closed; however, MAH continues to provide MAT induction in its emergency department, offer suboxone treatment at its outpatient clinic, and provide consultation and referrals to patients for continued OUD treatment. BILH confirmed no Bridge Clinics were added or closed during the period between October 1, 2024 and September 30, 2025.

BILH has continued its partnership with Addison Gilbert and Beverly Hospitals to provide OUD treatment by connecting patients in the emergency department with clinical staff to assess the patient’s eligibility and willingness to begin MAT. Additionally, the Addiction Consult Service launched in July 2024 aims to increase access to integrated hospital-based OUD services. At BID Plymouth, BILH continues to offer programs that expand access to OUD treatment through medication bridging services, community-based treatment, and recovery support. Additionally, BID-Plymouth has partnered with area coalitions to enhance access to alcohol and substance use disorder (“SUD”) interventions.

The BILH system-wide SUD task force, led by BILHPC, expanded efforts to provide equitable access to SUD treatment across its primary care clinics, resulting in increased addiction-related treatment offerings. With the recent implementation of Epic across BILH, the referral process to outpatient addiction medicine has become streamlined and allows improved collaboration across the organization. BILHPC has also continued to expand SUD care through physical expansion, including the addition of an addiction-focused clinic at the Amesbury primary care site, led by an addiction-trained physician. There have also been educational offerings through free courses focused on SUD and addiction along with continued clinical support through small group training and one-on-one discussions. In Year 7, three clinics offered dedicated clinical time to treat SUD. BILHPC continued to expand its hub-and-spoke model for addiction treatment to allow patients to return to primary care clinics for SUD treatment instead of solely being cared for in an addiction clinic.

Result

BILH has met the requirement that it 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 program for MAT patients within two years of the Closing Date. In the current reporting period, Grant Thornton observed that BILH continues to invest in initiatives to enhance access to MAT for patients with opioid use disorders and notes no evidence of noncompliance with the requirement set forth in Paragraph 122 as of September 30, 2025. Grant Thornton will continue to assess this requirement through the remainder of the Access Period.

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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 relate to the composition of the BILH Board of Trustees and the boards of its First Tier Affiliates.¹⁴³ Additional requirements call on BILH to include community health advocates on its board who are experienced at serving the needs of at-risk, underserved, uninsured, and government-payer populations in the BILH service area.

i. BILH Board of Trustees

a. Paragraphs 123-125¹⁴⁴

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, 2027), 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, 2027), 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, 2027), monitored annually.

Testing Approach

Based on discussions with management and corroborated through an attestation from BILH Board Chair Ann-Ellen Hornidge, 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. As such, BILH’s assertion that no minimum financial contribution requirement exists as a prerequisite for membership on the Board appears to be reasonable.

¹⁴³ “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, Winchester Hospital, Joslin Diabetes Center, and Exeter Health Resources (AOD Exhibit A and AOD Paragraph 40).

¹⁴⁴ AOD Par. 123-125.

Grant Thornton received an attestation from BILH leadership confirming no changes were made to the BILH Bylaws or Articles of Organization in the Year 7 reporting period. In the Year 5 testing period, Grant Thornton obtained and analyzed the Bylaws of BILH dated July 1, 2023 and observed no updates were made to the relevant paragraphs of the bylaws regarding the composition of the BILH Board of Trustees. In the Year 6 testing period, BILH provided the Articles of Organization dated March 29, 2024. Grant Thornton reviewed updates to these Articles and confirmed no changes were made to prior observations regarding the composition of the BILH Board of Trustees.

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 and notes efforts and initiatives undertaken by BILH toward furthering its compliance with AOD Paragraphs 123, 124, and 125 at the BILH System level and First Tier Affiliate Board level.

Grant Thornton analyzed the biographies of all trustees to understand their backgrounds in relation to AOD Paragraph 125. Based on review of these biographies, Grant Thornton observed the trustees are consistent with the BILH Bylaws in that they meet the requirements specified therein relating to board composition.

During prior reporting periods, BILH has provided Grant Thornton rationale for which members of its Board it believes help satisfy the requirements in AOD Paragraphs 123-125. Grant Thornton has found no issues with such rationale. There were no changes to the BILH Board of Trustees during the current reporting period. Therefore, BILH's rationale of individuals who help satisfy the requirements outlined in AOD Paragraphs 123-125 remains consistent with prior years.

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 125¹⁴⁵**

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, 2027), monitored annually.

Testing Approach

In previous testing periods, Grant Thornton obtained and analyzed First Tier Affiliate Amended and Restated Bylaws and found BILH incorporated into its governance structure the requirements outlined in Paragraph 125. Refer to Grant Thornton’s reports from prior years for further details. In Year 7, Grant Thornton obtained and analyzed First Tier Affiliate Amended and Restated Bylaws during the period October 1, 2024 to September 30, 2025. Grant Thornton noted no material changes, updates, or edits to the BILH First Tier Affiliate’s Bylaws related to Board composition policies.

In previous testing periods, BILH provided a report on the composition of each of its boards (BILH Board and all First Tier Affiliate Boards) as reported through self-identification surveys. Grant Thornton reviewed this report in Years 1–6 and observed no instances of noncompliance across the BILH and First-Tier Affiliate Boards at the aggregate level relating to the board composition requirements specified in AOD Paragraph 125. Refer to Grant Thornton’s reports from prior years for further details. In the Year 7 reporting period, these self-identification surveys were not completed.

Result

Grant Thornton finds no evidence of noncompliance by BILH with the requirements specified in Paragraph 125, as relating to the First Tier Affiliates’ Board of Trustees.

¹⁴⁵ 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.¹⁴⁶ 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.¹⁴⁷ Further, 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.¹⁴⁸

The AOD further 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.¹⁴⁹ 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.¹⁵⁰

i. DPH and AGO Reports

a. Paragraph 128¹⁵¹

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

BILH management provided Grant Thornton with the “BILH Annual Report to the Massachusetts Department of Public Health.”¹⁵² Grant Thornton obtained an email from BILH management to the DPH with the Paragraph 128 report included as an attachment. Based on this email, the Paragraph 128 report was provided to the DPH on April 30, 2025. Grant Thornton’s testing of these reports was limited to the procedures described in the Scope of Work (see **Exhibit 1**).

¹⁴⁶ AOD Par. 128.

¹⁴⁷ AOD Par. 129.

¹⁴⁸ AOD Par. 130.

¹⁴⁹ AOD Par. 132.

¹⁵⁰ AOD Par. 135.

¹⁵¹ AOD Par. 128.

¹⁵² BILH Annual Report to the Massachusetts Department of Public Health dated April 30, 2025.

Result

Grant Thornton notes BILH provided an analysis of each of the conditions outlined in the October 10, 2018 Determination of Need between BILH and the DPH (as required in AOD Paragraph 128) to the DPH on April 30, 2025. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 128 of the AOD.

b. Paragraph 129¹⁵³

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 Office of the Attorney General Provided Under Paragraph 129 of the Assurance of Discontinuance.”¹⁵⁴ Grant Thornton obtained an email from BILH management to the AGO with the Paragraph 129 report included as an attachment. Based on this email, the Paragraph 129 report was provided to the AGO on February 28, 2025. Grant Thornton’s testing of this report was limited to the procedures described in the Scope of Work (see **Exhibit 1**).

¹⁵³ AOD Par. 129.

¹⁵⁴ BILH Annual Report to the Massachusetts Office of the Attorney General Provided Under Paragraph 129 of the Assurance of Discontinuance dated February 28, 2025.

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 February 28, 2025 as required by the AOD. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 129 of the AOD.

c. Paragraph 130¹⁵⁵

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

Paragraph 130 no longer applies to the current reporting period (October 1, 2024 – September 30, 2025), as this requirement was met in the Year 2 reporting period (October 1, 2019 – September 30, 2020) via the submission of the “BILH Proposal to the Massachusetts Department of Public Health Regarding Provider Participation in the MassHealth Program”.¹⁵⁶ As such, Grant Thornton performed no testing related to Paragraph 130.

Result

In the Year 2 reporting period (October 1, 2019 – September 30, 2020) BILH met the requirement in Paragraph 130 that it provide a proposal outlining BILH’s plan to have all BILH Providers apply to participate in MassHealth to the AGO within the 18-month period following the Filing Date. As such, Paragraph 130 no longer applies to the current reporting period.

¹⁵⁵ AOD Par. 130.

¹⁵⁶ BILH Proposal to the Massachusetts Department of Public Health Regarding Provider Participation in the MassHealth Program.

d. Paragraph 132¹⁵⁷

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)

Testing Approach

BILH management provided Grant Thornton with the “BILH Annual Report to the Massachusetts Office of the Attorney General Provided Under Paragraph 132 of the Assurance of Discontinuance.”¹⁵⁸ Grant Thornton obtained an email from BILH management to the AGO with the Paragraph 132 report included as an attachment. Based on this email, the Paragraph 132 report was provided to the AGO on February 28, 2025. Grant Thornton’s testing of this report 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 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 (as referenced in AOD Paragraph 132 (a-e)) to the AGO on February 28, 2025 as required by the AOD. Based on these procedures, Grant Thornton has not identified any evidence of noncompliance with Paragraph 132 of the AOD.

¹⁵⁷ AOD Par. 132.

¹⁵⁸ BILH Annual Report to the Massachusetts Office of the Attorney General Provided Under Paragraph 132 of the Assurance of Discontinuance dated February 28, 2025.

e. **Paragraph 135**¹⁵⁹

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

Paragraph 135 does not apply to the current reporting period (October 1, 2024 – September 30, 2025) as this requirement was met in the Year 6 reporting period (October 1, 2023 – September 30, 2024) via the fourth and final submission of the “BILH Annual Report to the Massachusetts Office of the Attorney General Provided Under Paragraph 135 of the Assurance of Discontinuance,”¹⁶⁰ which was provided to the AGO on February 27, 2024. As such, Grant Thornton performed no testing related to Paragraph 135 for the current reporting period.

Result

In the Year 6 reporting period (October 1, 2023 – September 30, 2024) BILH met the requirement in Paragraph 135 that it provide an analysis 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 (as referenced in AOD Paragraph 135) with their fourth and final submission of this annual report. As such, Paragraph 135 no longer applies to the current reporting period.

¹⁵⁹ AOD Par. 135.

¹⁶⁰ BILH Annual Report to the Massachusetts Office of the Attorney General Provided Under Paragraph 135 of the Assurance of Discontinuance dated February 27, 2024.

J. Other Testing Areas

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

Grant Thornton notes no additional concerns were presented to Grant Thornton by the AGO regarding BILH's compliance with the AOD during the current testing period.

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The contents of this Report were prepared solely for the use of Beth Israel Lahey Health, Inc. for the purposes contemplated by the Engagement Letter. It is not to be used, relied upon or referred to by any other party for any purpose.

EXHIBITS

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EXHIBIT 1

Attachment B to the Agreement Fiscal Year 2025 - Scope of Work

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Attachment B – Fiscal Year 2025

Scope of Work

This Attachment B applies to the letter describing the Services to be provided by Grant Thornton Advisors LLC (“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 seventh reporting year defined under the AOD, which will report on October 1, 2024 to September 30, 2025 (“Year 7”).

Phase 1: Information Gathering & Preliminary Assessment

Expected Timeline: October 2025 – January 2026

I. Information Gathering

- A. Make initial data requests to understand BILH’s financial and 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 as necessary.

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.
- B. 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, 2025), coordinating with the AGO as needed. (Per the AOD, the AGO shall have the authority to review and approve such proposal.)
 - 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 Grant 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 2025 – February 2026

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:

| Requirement per AOD | Proposed Testing Approach |
|---|--|
| <p>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</p> | <p>Note: Please note that procedures for the Year 7 report are focused on contracts which were executed during the BILH Fiscal Year (10/1/24 – 9/30/25). 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 8 report.</p> <ul style="list-style-type: none"> • Obtain a schedule of payer revenues for the most recent 12-month period ending September 30, 2025, 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 managed care contracts by entity and by payer, including contract terms, expiration dates, and approximate revenues <ul style="list-style-type: none"> ○ Understand how revenue from Covered Payers fits into the BILH’s overall payer mix, including revenues for managed behavioral health organizations ○ Understand BILH’s identification of any payers excluded from the price constraint, based on the terms of the AOD ○ On an annual basis, review the contract listing to identify contracts scheduled for renewal during the fiscal year ○ 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 ○ 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 <ul style="list-style-type: none"> ○ Obtain and analyze price constraint worksheet and supporting documentation ○ 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 • Recalculate the pricing worksheet and agree relevant inputs to primary source documents • Perform other procedures, as necessary, to assess consistency with the AOD |
| <p>B. BILH shall maintain access for the communities served</p> | <ul style="list-style-type: none"> • Understand and note services added by BILH during this period |

| Requirement per AOD | Proposed Testing Approach |
|---|---|
| <p>by BILH Hospitals to substantially similar clinical services as before the Closing Date (see AOD paragraph 91)</p> | <ul style="list-style-type: none"> • Obtain from BILH an inventory of operating clinical service locations as of October 1, 2024 (fiscal year 2025 beginning) and as of September 30, 2025 (fiscal year 2025 ending) <ul style="list-style-type: none"> • Identify changes in clinical service locations based on provided inventories • Identify, via interview with BILH personnel, description of services provided at locations missing at FYE • 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, as necessary • Obtain from BILH any notifications or filings made during the BILH Fiscal Year (10/1/24 – 9/30/25) to the Massachusetts Department of Public Health in relation to the discontinuation of services, if any, by BILH Hospitals in the Fiscal Year. <ul style="list-style-type: none"> • Identify, via interview with BILH personnel, description of services reported to DPH as closed from 10/1/24 – 9/30/25 <p>North Shore Birth Center Memorandum of Understanding (“NSBC MOU”)</p> <ul style="list-style-type: none"> • Identify progress, towards the responsive changes outlined in the third-party systematic review of Beverly Hospital maternity program as of September 30, 2025 • Review birthing tub utilization reports and documentation of unfulfilled waterbirth requests (if applicable) <ul style="list-style-type: none"> • Perform birthing tub site visit, if necessary • Obtain from BILH the schedule(s) of investments (including the identity of the funding recipients) from October 1, 2024 through September 30, 2025 related to BILH’s commitment to provide \$1.5 million in financial support to one or more community organizations to create, expand, or reopen birth centers licensed by DPH <ul style="list-style-type: none"> • Analyze supporting documentation of the relevant investments during the reporting period, including grant reports • Obtain BILH system-wide Maternal Quality Council meeting agendas, minutes, and annual reports throughout the reporting period • Inquire of BILH’s efforts during the BILH Fiscal Year (10/1/24 – 9/30/25) related to the expansion of midwifery services offered by Beverly Hospital and the Northeast Medical Practice (Note: The NSBC MOU requires BILH to hire at least three additional non-OB-GYN clinicians at these practices by the end of the Access Period) <ul style="list-style-type: none"> • Obtain and review roster of non-OB-GYN clinicians at Beverly Hospital and Northeast Medical Practice as of September 30, 2025 and compare to baseline roster of non-OB-GYN clinicians at these locations as of the NSBC Memorandum Date. • Obtain and review copies of Beverly Hospital and Northeast Medical Practice job postings and hiring status of these non-OB-GYN clinicians • Obtain documentation of the non-English language capabilities of clinicians at Northeast Medical Practice – Lynn and Salem locations • Obtain BILH annual report relating to Beverly Hospital’s efforts to improve care for patients with post-partum mental health issues and substance use disorder • Obtain reports on membership, meeting invites, and agendas of the Maternal-Newborn Patient and Family Advisory Council (PFAC) established at Beverly Hospital throughout the reporting period, along with BILH’s Maternal-Newborn PFAC annual report • Perform other procedures, as necessary, to assess consistency with the AOD |

| Requirement per AOD | Proposed Testing Approach |
|---|--|
| <p>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</p> | <ul style="list-style-type: none"> • Obtain supporting documentation of BILH Facilities and health care providers participating in MassHealth as of September 30, 2025 and compare to listing from prior testing period. • 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): <ul style="list-style-type: none"> ○ Programs focused on the Boston neighborhoods of Mission Hill, Roxbury, Dorchester, and Mattapan ○ Programs focused on MassHealth enrollees ○ General programs intended to outline access to care within the BILH provider network • Perform other procedures, as necessary, to assess consistency with the AOD |
| <p>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</p> | <p>CHCs and SNAs</p> <ul style="list-style-type: none"> • 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 from October 1, 2024 through September 30, 2025 <ul style="list-style-type: none"> ○ Analyze supporting documentation of the relevant investments during the reporting period, which may include invoices, remittances, or loss calculations • Tabulate annual contributions during the Access Period <ul style="list-style-type: none"> ○ Compare to total amount specified in the AOD, as well as to the minimum 2-year distribution requirement specified in the AOD <p>Communities of color, low-income and other underserved populations</p> <ul style="list-style-type: none"> • 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) <ul style="list-style-type: none"> ○ Identify and understand the distributions from BILH to the above communities ○ Conduct interviews with relevant BILH employees to understand the nature of discussions with CHCs in Gateway Municipalities ○ 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 <ul style="list-style-type: none"> ○ On an annual basis, track BILH's spending status against the \$5M investment amount specified in the AOD ○ Agree to General Ledger and/or audited financial statements <p>Hiring and Solicitation</p> <ul style="list-style-type: none"> • 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 |
|--|---|
| <p>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</p> | <p>CHCs</p> <ul style="list-style-type: none"> • Obtain MOUs with CHCs in place as of September 30, 2025, and any new or renewed affiliation agreements entered into during the current year <ul style="list-style-type: none"> ○ 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) ○ 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 <ul style="list-style-type: none"> ○ Obtain and analyze the Bylaws of the Community Care Alliance ○ Obtain and analyze agendas and listing of participants for all meetings of the Community Care Alliance for the fiscal year ending September 30, 2025 ○ Compare listing of CHCs to the population of MOUs provided. ○ Conduct interviews with 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 <p>SNAs</p> <ul style="list-style-type: none"> • Obtain affiliation agreements in place with SNAs as of September 30, 2025 and any new or renewed affiliation agreements entered into during the current fiscal year <ul style="list-style-type: none"> ○ Obtain and assess information provided by BILH regarding whether renewed affiliation agreements are “substantially the same” ○ 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, 2025 and monitor changes to clinical programs over time through agreements, interviews, and/or non-anonymous surveys <ul style="list-style-type: none"> ○ 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 of model for joint system and regional planning via documents, interviews, and/or non-anonymous surveys, once established <ul style="list-style-type: none"> ○ Obtain and analyze agendas and listing of participants for all meetings of the Combined SNA Committee (Steering and Regional Planning) from the most recent 12-month period ending September 30, 2025 ○ Conduct interviews with members of the regional planning committee, as necessary • Obtain and evaluate risk-sharing agreements with Joint Contracting SNAs, including: <ul style="list-style-type: none"> ○ Physician incentives ○ SNA reimbursement rates • Collect roster of SNAs and CIN contracts to identify SNA participation <ul style="list-style-type: none"> ○ Conduct interviews with CIN and SNA leaders to understand SNA non-participation in CIN contracts (if applicable) |

| Requirement per AOD | Proposed Testing Approach |
|---|---|
| | <p>Other</p> <ul style="list-style-type: none"> • 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 |
| <p>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</p> | <ul style="list-style-type: none"> • Obtain BILH's proposed plan and budget for investments in behavioral health services to enhance access to mental health and substance use disorder treatment <ul style="list-style-type: none"> ○ 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, as necessary ○ 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 <ul style="list-style-type: none"> ○ 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 |
| <p>G. An assessment of BILH's compliance with obligations relating to access to behavioral health services, as set forth in Paragraph 120-122</p> | <ul style="list-style-type: none"> • 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, 2025, 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, 2025, including supporting documentation for the two remaining practices yet to be integrated as of the due date (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: <ul style="list-style-type: none"> ○ Meeting materials ○ Psychiatrist attestation(s) ○ Referrals made through the program • Obtain supporting documentation related to BILH's continued extension of the Centralized Bed Management Program to all BILH hospitals and facilities that provide inpatient behavioral health treatment • Track BILH investments related to access in MAT <ul style="list-style-type: none"> ○ Obtain a listing of Bridge Clinics and supporting documentation related to any new or closed clinics through September 30, 2025. This may include evidence of its physical location and MAT patient enrollment ○ Obtain any implementation plans for the expansion of MAT, if available • Perform other procedures, as necessary, to assess consistency with the AOD |
| <p>H. An assessment of BILH's compliance with the governance provisions, as set forth in Paragraphs 123-125</p> | <ul style="list-style-type: none"> • Obtain and assess BILH's Bylaws and Articles of Organization as of September 30, 2025 to understand BILH's documentation of its commitment to membership diversity and geographic representation within both its Board of Trustees and First Tier Affiliates' Board of Trustees • Obtain Board of Trustees and First Tier Affiliates' meeting minutes and other presentation materials throughout each year |

| Requirement per AOD | Proposed Testing Approach |
|---|--|
| | <ul style="list-style-type: none"> • Analyze bios of the members of the Board of Trustees, including 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 |
| <p>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, 132 and 135).</p> | <ul style="list-style-type: none"> • Obtain copies of any filings with the Department of Public Health that relate to AOD paragraph 128 for the previous fiscal year • Obtain copies of any filings with the AGO that relate to AOD paragraphs 129, 132, and 135 for the previous fiscal year <p>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.</p> |
| <p>J. Other areas, as identified by the AGO</p> | <p>An assessment of any concerns presented to the Monitor by the AGO regarding BILH's compliance with this Assurance. Testing procedures will be determined by the AGO and the Monitor as the identified areas arise.</p> |

Phase 3: Reporting of Observations

Expected Timeline: March 1, 2026

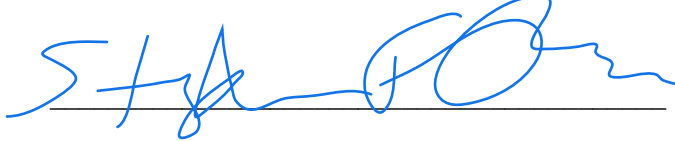
- I. Obtain management's representation letter prior to issuance of the report
- II. Draft report of observations of BILH's consistency with the AOD based on analyses performed
- III. Issue report on or before March 1, 2026 for the fiscal year ending September 30, 2025
- IV. Meet with the AGO to discuss the findings in the report within 60 days of providing the report

Note: This work plan is intended for the seventh reporting period (i.e. with the Monitor's report due by March 1, 2026). 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.



Agreed and Accepted by:

GRANT THORNTON ADVISORS LLC

 Date: 7.24-25

Stephen Thome, Principal

BETH ISRAEL LAHEY HEALTH

 Date: 8-4-25

Jamie Katz, SVP and General Counsel

EXHIBIT 2

Summary of AOD Compliance Due Dates and Compliance Periods

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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 – Rows highlighted in purple indicate the requirement is applicable to the current reporting period (Year 7). Rows highlighted in grey indicate the requirement was met by BILH in a prior 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 Filing Date (November 29, 2021) |
| 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): <ul style="list-style-type: none"> \$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): <ul style="list-style-type: none"> Initial distribution. | Within 2 years of Closing Date (March 1, 2021) |
| 99 | Funding for CHCs and SNAs (additional support): <ul style="list-style-type: none"> \$8.8 million. | Access Period |
| 101 | Funding for CHCs in Gateway Communities: <ul style="list-style-type: none"> \$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 |

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| 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: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 Program. | Within 3 years of Closing Date (March 1, 2022), annually thereafter |

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| 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) |

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EXHIBIT 3

Summary of NSBC MOU Compliance Due Dates and Compliance Periods

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Summary of NSBC MOU Compliance Due Dates and Compliance Periods

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

MOU Reference Dates

MOU Date: December 30, 2022

AOD Access Period: March 1, 2019 – March 1, 2027

Note – Rows highlighted in purple indicate the requirement is applicable to the current reporting period (Year 7). Rows highlighted in grey indicate the requirement was met by BILH in a prior reporting period.

Summary provided for convenience of the reader, where discrepancies with the AOD exist, the language of the AOD prevails.

| Section | NSBC MOU Requirement | Time Periods and Due Dates |
|------------------|---|---|
| 6.a.i | Third-party systematic review of Beverly Hospital Maternity Program | Within 1 year of the MOU Date (December 30, 2023) |
| 6.a.ii – 6.a.iii | Annual report documenting progress in implementing responsive changes to Beverly Hospital policies and procedures and additional information on provision of midwifery care and low-intervention birth services, as needed. | Beginning 2 years after MOU Date (December 30, 2024), monitored annually thereafter through the AOD Access Period |
| 6.b.i | Installation of birthing tub and training of all relevant staff. | Due in 2023 (December 31, 2023) with staff trained within 4 months of delivery |
| 6.b.ii | Utilization report on birthing tub usage. | Within 1 year of the MOU Date (December 30, 2023) |
| 6.c | Commercially reasonable lease available for the building, furnishings, and equipment of NSBC. | Available for 12 months following MOU Date (December 30, 2023) |
| 6.d.i – 6.d.ii | \$1.5 million in financial support to one or more community organizations to create, expand, or reopen birth centers. | AOD Access Period, monitored annually |
| 6.e.i | Establishment of a BILH system-wide Maternal Quality Council. | AOD Access Period, monitored annually |
| 6.f(a) | Expansion of midwifery services offered by Beverly Hospital and Northeast Medical Practice - BILH will hire at least three additional non-OB/GYN clinicians | AOD Access Period, monitored annually |
| 6.f(b) | Expansion of midwifery services offered by Beverly Hospital and Northeast Medical Practice - hiring will include at least one additional midwife at the Northeast Medical Practice Salem location. | Within 1 year of the MOU Date (December 30, 2023) |
| 6.f(c) | At Lynn practice, Northeast Medical Practice will work to expand Spanish language service offerings. | Within 1 year of the MOU Date (December 30, 2023), monitored annually thereafter through the AOD Access Period |
| 6.f(d) | Hiring of two additional midwives to work in labor and delivery at Beverly Hospital, if third-party review identifies unmet needs for midwives to support labor and delivery. | AOD Access Period |

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| Section | NSBC MOU Requirement | Time Periods and Due Dates |
|---------|---|---------------------------------------|
| 6.g | Enhancement of the capacity of Beverly Hospital's OB/GYN providers to identify and address post-partum mental health and substance use-disorders. | AOD Access Period, monitored annually |
| 6.h | Establishment of a Maternal-Newborn PFAC | AOD Access Period, monitored annually |

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