

**BMC HEALTH SYSTEM, INC.
DON APPLICATION # BMC-18091312-AM
ATTACHMENTS**

**MINOR AMENDMENT
BOSTON MEDICAL CENTER**

SEPTEMBER 13, 2018

BY

**BMC HEALTH SYSTEM, INC.
ONE BOSTON MEDICAL CENTER PLACE
BOSTON, MA 02118**

BMC HEALTH SYSTEM, INC.
APPLICATION # BMC-18091312-AM

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Attachment/Exhibit

A

RETURN OF PUBLICATION

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

- 1) "PUBLIC ANNOUNCEMENT CONCERNING BMC Health System, Inc., One Boston Medical Center Place, Boston, MA 02118" page 24, Legal Notice Section.
- (check one) ☒ Size two inches high by three columns wide
☐ Size three inches high by two columns wide
- 2) "PUBLIC ANNOUNCEMENT CONCERNING BMC Health System, Inc., One Boston Medical Center Place, Boston, MA 02118" page 10, MASS NEWS Section.
- (check one) ☒ Size two inches high by three columns wide
☐ Size three inches high by two columns wide

PUBLIC ANNOUNCEMENT CONCERNING A PROPOSED HEALTH CARE PROJECT

BMC Health System, Inc. ("Applicant") located at One Boston Medical Center Place, Boston, MA 02118 intends to file a Notice of Determination of Need ("DoN") with the Massachusetts Department of Public Health for a Minor Change ("Application") by Boston Medical Center ("BMC") with respect to BMC's previously issued DoN Project #4-3C32. The previously issued DoN authorized a substantial capital expenditure for new construction and renovation at BMC's Menino Campus to permit the relocation of patient services sited at BMC's East Newton Campus. The Application now requests approval for renovation at BMC's Crosstown Building, located at 801 Massachusetts Avenue, Boston, MA 02118, to permit the relocation of BMC's Sleep Lab and General Internal Medicine services closer to BMC's Menino Campus due to the closure of the East Newton Campus. The costs associated with the requested change will increase the total value of the Project based on maximum capital expenditure ("MCE") by \$5,799,829, for a total MCE of \$275,495,385 (August 2018). The Applicant does not anticipate any price or service impacts on the Applicant's existing Patient Panel as a result of the requested change. Any ten Taxpayers of Massachusetts may register in connection with the intended Application no later than 30 days of the filing of the Notice of Determination of Need by contacting the Department of Public Health, Determination of Need Program, 250 Washington Street, 6th Floor, Boston, MA 02108.

Signature

Name

Title

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REGINA MUNROE
Notary Public
Commonwealth of Massachusetts
My Commission Expires
March 21, 2019

LEGAL NOTICES

LEGAL NOTICES

LEGAL NOTICES

PUBLIC NOTICE
 11001, DORSET, MA 02118. Attorney, OFF 3-42-1700. 31 FRICKBURY
 Street Condominium Trust by its Board of Trustees.
 Aug 3, 10, 17

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BOSTON HERALD FRIDAY, AUGUST 17, 2018

Attachment/Exhibit

B

**STAFF SUMMARY FOR DETERMINATION OF NEED
BY THE PUBLIC HEALTH COUNCIL
April 9, 2014**

APPLICANT: Boston Medical Center

PROGRAM ANALYST: Jere Page

LOCATION: One Boston Medical Center Place
Boston, MA 02118

REGION: HSA IV

DATE OF APPLICATION: November 15, 2013

PROJECT NUMBER: 4-3C32

PROJECT DESCRIPTION: New construction and renovation to permit the transfer of services currently available at the East Newton Campus to the Merino Campus resulting in all BMC's inpatient and interventional care and most of its ambulatory services being centralized on a single campus.

ESTIMATED MAXIMUM CAPITAL EXPENDITURE:

Requested: \$181,523,924 (November 2013 dollars)

Revised: \$165,023,924 (November 2013 dollars)

Recommended: \$165,023,924 (November 2013 dollars)

ESTIMATED FIRST YEAR INCREMENTAL OPERATING COST:

Requested: \$(14,098,000) (November 2013 dollars)

Recommended: \$(14,098,000) (November 2013 dollars)

LEGAL STATUS: A regular application for substantial changes in service pursuant to M.G.L. c.111, s.25C and the regulations adopted thereunder.

ENVIRONMENTAL STATUS: No environmental notification form or environmental impact report is required to be submitted for this project since it is exempt under 301 Code of Massachusetts Regulations 10.32 (3), promulgated by the Executive Office of Environmental Affairs pursuant to Massachusetts General Laws, Chapter 30, Section 61-62H. As a result of this exemption, the project has, therefore, been determined to cause no significant damage to the environment.

OTHER PENDING APPLICATIONS: None

COMMENTS BY THE CENTER FOR HEALTH INFORMATION AND ANALYSIS: None submitted

COMMENTS BY THE DIVISION OF MEDICAL ASSISTANCE: None submitted

TEN TAXPAYER GROUP(S): None formed

RECOMMENDATION: Approval with conditions

I. BACKGROUND AND PROJECT DESCRIPTION

Boston Medical Center Corporation ("BMC," "Hospital" or "Applicant") has filed a Determination of Need application for substantial capital expenditure to consolidate its two existing hospital campuses into one. BMC is an academic medical center located at One Boston Medical Center Place in Boston providing a full range of pediatric and adult services, from primary care and family medicine to advanced specialty care. In addition, BMC operates 22 satellite facilities in Boston, Dorchester, Roslindale, South Boston, Hyde Park, East Boston, Mattapan, and Whitthrop. BMC is also affiliated with the Boston University School of Medicine and provides research and educational activities in association with the School.

The proposed consolidation will be accomplished through new construction and renovation of space at the Menino Campus to permit the transfer of patient services currently sited at the East Newton Campus. On project completion, all patient services at the East Newton Campus will be discontinued and all BMC's inpatient and interventional care and most of its ambulatory services will be centralized on a single campus. The project, designed to achieve optimal operational efficiency will reduce the footprint of total clinical space at BMC by about 329,000 gross square feet ("GSF").

BMC reports that the proposed consolidation also will expand the capacity of the emergency department, surgical, ICU, and ambulatory services, while providing more private medical/surgical beds. With the delivery of care centralized within a more compact and efficient footprint, the Hospital seeks to improve clinical integration and accessibility for patients, visitors and staff.

The proposed multi-phase project will involve the following new construction and renovations:

- **Moakley Addition:** New construction of a 16,987 GSF, four-level addition connected to the existing Moakley Building to allow for expanded ambulatory, surgical, and administrative services relocated from the Menino Pavilion;
- **Moakley Renovation:** Renovation of 29,339 GSF involving the first and second floors of the existing Moakley Building to accommodate expanded surgical services and ED patient waiting;
- **Menino Addition:** New construction of a 98,299 GSF, six-level inpatient building to expand the existing Menino Pavilion. This new building will house BMC's consolidated radiology services on the first floor, which will be relocated from the Menino Pavilion. The second floor will house expanded surgical services relocated from the East Newton Campus. The third and fourth floors will be comprised of ICU beds relocated from the East Newton Campus, as well as private pediatric/adolescent beds that will replace existing semiprivate beds currently in the Menino Pavilion.
- **Menino Pavilion Renovation:** Renovation of 172,527 GSF involving six levels of the existing Menino Pavilion to accommodate the expanded ED and surgical services, as well as expand the number of private medical/surgical beds.
- **Yawkey Renovation:** Renovation of 108,571 GSF involving four levels of the existing Yawkey Building to consolidate and reconfigure certain services to support the inpatient consolidation. In particular, Maternity and Labor and Delivery will be relocated from the third and fourth floors of the Menino Pavilion to the third floor of the Yawkey Building to allow for right-sizing of the NICU, along with improved amenities for patients and families.

BMC reports that the finished project will result in a reduction of its licensed bed count. As indicated below, the resulting complement of beds operating at the BMC main campus after project completion will be reduced from 496 to 367 beds.

	Current Beds	Proposed Beds	Change
Adult Medical/Surgical	332	232	-100
Obstetrics (Maternity)	39	30	-9
Pediatrics	30	24	-6
NICU	15	15	0
ICU/CCU/SICU	74	60	-14
PICU	6	6	0
Total	496	367	-129

II. STAFF ANALYSIS

A. Health Planning Process

Prior to filing this application, BMC consulted with the Determination of Need Program and the Office of Community Health Planning, as well as several of its affiliates who provided letters of support. These include Codman Square Health Center, Uphams Corner Health Center, South Boston Community Health Center, Greater Roslindale Medical and Dental Center, Harvard Street Neighborhood Health Center, Dorchester House, and Whittier Street Health Center.

BMC also reports that it conducted an extensive planning process over several years that included preliminary modeling, detailed internal assessments, and validation of volume assumptions and cost savings estimates by external experts.

Based on the above information, Staff finds that BMC has engaged in a satisfactory health planning process.

B. Health Care Requirements

As indicated previously, the proposed project will encompass new construction and renovation to transition all BMC's inpatient and interventional care and most of its ambulatory services onto a centralized campus. BMC aims to achieve the following:

- Consolidation of inpatient and surgical operations and improvement of departmental adjacencies and patient flow within a single, distinct area of the campus;
- Improvement of patient experience by increasing the percentage of beds in private patient rooms from 44% to 62%, expanding the ED, and upgrading critical patient care areas to improve the overall look and feel of the campus. Further, BMC expects the project to improve accessibility and navigation throughout the Hospital;
- Reduction of the carbon footprint through incorporation of green energy technologies and reduction of building square footage by 13%. With a more energy efficient campus, BMC projects that it will reduce energy usage and expense by \$3 to \$4 million annually.

1. Operational Issues

BMC reports that the following facility-related concerns currently challenge the Hospital's efforts to maintain a consistently high level of operational efficiency and quality patient care:

- Patient operations are currently dispersed on two campuses;
- Patient experience is compromised by an insufficient number of private patient rooms, limited ED, ICU and NICU space, and outdated campus amenities;
- Lack of green energy technologies or efficiencies in original building design; and
- Access problems when patients, visitors and staff with disabilities travel between campuses.

BMC further reports that spaces for the current ED, ICU, NICU and surgical services were designed in the 1980's and have physical space limitations based on the 2010 Facility Guidelines Institute ("FGI") Guidelines for Design and Construction of Health Care Facilities and the Department's Plan Review Checklist.

In addition, BMC reports that most of its adult and pediatric medical/surgical rooms are semi-private and are undersized by current clinical standards. Staff notes that, for a variety of reasons, a private patient room has become the current standard for medical/surgical services and there is widespread agreement that inpatients are generally more acutely ill and need more intensive services during increasingly shorter hospital stays. Movement toward conversion to all single-occupancy patient rooms has become a trend among acute care hospitals.

Finally, BMC reports that certain mechanical systems issues need to be addressed in the proposed project. In particular, a new high grade air handling system will be installed on the roof of the Yawkey building for dedicated service to the relocated nursery, C-section and PACU areas. Also, a new emergency power generator plant will be needed to serve the Yawkey Building.

2. Need for Services

The proposed consolidation will change BMC's service capacity for a number of services. With the exception of the ED and obstetrical services, the Hospital plans no change or a decrease in its facility capacity for major services. A summary of the existing and proposed capacity of key services is summarized below:

		Existing	Planned	Net Change
Emergency Department	Treatment rooms	73	86	+13
Obstetrical Services	LDR rooms	8	9	+1
Obstetrical Services	Ante/Post-partum Beds	39	30	-9
Surgical Services	Operating Rooms	23	23	0
Adult Medical/Services	Beds	332	232	-100
Pediatric/Adolescent Services	Beds	30	24	-6
Adult Intensive Care Units	Beds	74	60	-14
Neonatal Intensive Care Unit	Beds	15	15	0

BMC submitted analyses that it has conducted for the ED, obstetrics, surgical, and other services to determine future demand for these services. The Hospital does not propose to increase capacity of any services regulated by DoN. As a result, Staff did not undertake a thorough analysis of need in the context of its review of the proposed project's compliance with the Health Care Requirements Factor of the DoN regulations. Consistent with its practice in previous acute hospital construction projects, Staff limited its analysis to an evaluation of the reasonableness of the Applicant's justification for expansion of the capacity of particular services. In the case of this project, Staff analyzed only the proposed increase in ED and labor and delivery capacity.

a. Emergency Department

BMC is a Level 1 trauma center and claims to be the largest provider of trauma and emergency services in New England. Its current ED configuration includes 73 treatment spaces to serve patients in need of trauma/resuscitation, adult acute, adult urgent care, pediatric acute, non-acute pediatric, psychiatric and asthma emergency care.

To project ED patient volume growth and the number of ED treatment spaces needed by 2022, BMC reports that it reviewed BMC and statewide ED data regarding patient volume, acuity/ average length of stay ("ALOS") and disposition by department. Based on its review of the data, BMC assumed total ED volume growth to be 0.4% per year. Demand for ED treatment spaces was calculated using 2012 volume (129,704 visits), existing ALOS (2.45 hours to 4.0 hours) and the premise that design of treatment spaces would be generic for maximum utility. Based on these assumptions, projected need ranged from 84-135 treatment spaces. BMC's architectural plan currently projects 86, or an increase of 13 ED treatment spaces.

Staff notes that recent DoN filings for hospital emergency departments have proposed 1,050-1,200 visits per treatment room per year. By comparison, BMC's current and projected ED volume applied to its proposed 86 treatment rooms results in over 1500-1600 visits per room. This reflects a much busier than average emergency service and supports the Hospital's proposed expansion of ED capacity.

b. Labor and Delivery

BMC currently operates eight labor-delivery-recovery ("LDR") rooms and two C-section rooms and has proposed to increase its capacity to nine LDR rooms and maintain its two C-section rooms using the following assumptions in its analysis:

- 2,418 total births with a 30.5% C-section rate; 1,681 vaginal deliveries and 737 C-sections;
- 498 "non-birth" obstetrical admissions; derived by using the 2011 ratio of 20.5% non-birth admissions to deliveries;
- ALOS in LDR for vaginal deliveries is 18 hours;
- ALOS for unscheduled C-sections is 12 hours for trial of labor in LDR;
- ALOS for non-birth admissions is 12 hours before moving to antepartum room or being discharged;
- Resulting in 1,694 days of care in LDR; average is less than 24 hours - or about 16 hours per patient;
- 9 LDR rooms needed at a 98% confidence interval - making sure a room is available when needed.

Staff notes that the Applicant's analysis of LDR capacity is based upon the assumption of a 98% confidence level that a room will be available for a patient when needed. Based upon a brief review of the health facility planning literature, Staff found this to be a valid approach for predicting the capacity for labor and delivery services.

3. Conclusion on Need

Based on the above analysis, Staff finds that the project is consistent with the health care requirements factor of the DoN regulations. As proposed, the project will address BMC's identified capacity needs and further its stated objective to optimize care within a consolidated footprint and to improve quality while reducing unnecessary costs.

C. Operational Objectives

BMC reports that its Quality and Patient Safety Committee ("QPSC"), acting on behalf of the Board of Trustees, establishes, maintains and oversees BMC's Patient Care Assessment Program to ensure that high quality inpatient and outpatient services are delivered at the Hospital. The QPSC is responsible for quality assurance projects targeted towards the following goals:

- Developing a culture of quality and safety
- Creating an information-rich environment
- Eliminating preventable mortality
- Eliminating healthcare-acquired infections
- Improving medication safety
- Improving the patient experience
- Reducing readmissions

BMC also stated that it will continue to offer services to patients who are poor, medically indigent, and/or Medicaid eligible and to care for all patients in a non-discriminatory manner.

Staff notes that the Department's Office of Health Equity ("OHE") recently conducted a review of the policies and operations of the existing language access services at BMC and certain satellite locations. OHE believes that it is critical that culturally appropriate language access services are available for new and expanded clinical services. Therefore, in order to ensure an appropriate level of service for limited English proficient patients in need of treatment at the Hospital, OHE recommended a number of enhancements to existing language access services which are set forth as a condition of approval in Attachment 1.

Based on the above analysis, Staff finds that the proposed project, with adherence to a certain condition, meets the operational objectives requirements of the DoN regulation.

D. Standards Compliance

As indicated previously, the proposed BMC consolidation project involves a total of 425,723 GSF, which will include 115,286 GSF of new construction and 310,437 GSF of renovation. A table providing more specific detail of the buildings and services affected by the proposed new construction and renovation is provided in Attachment 3.

BMC confirmed that the new construction and renovated space will meet all regulatory requirements for licensure including staffing requirements and any plan review requirements of the Department's Health Care Quality Division.

Based on the above analysis, Staff finds that the proposed project meets the standards compliance factor of the DoN regulations.

B. Reasonableness of Expenditures and Cost**1. Maximum Capital Expenditure**

The original requested maximum capital expenditure ("MCE") was \$181,523,924 (November 2013 dollars) and included \$16,500,000 in major movable equipment costs. Staff notes that in accordance with DoN regulations, an acute care hospital is not required to include the cost of major movable equipment (other than those items meeting the definition of new technology or innovative services) in the calculation of its proposed maximum capital expenditure. Staff has determined that none of the requested major movable equipment costs involve new technology or innovative services, and has revised the MCE to exclude the requested \$16,500,000. The revised and recommended total MCE of \$165,023,924 is itemized as follows:

Land Costs:	New Construction	Renovation
Site Survey & Soil Investigation	\$ 86,000	
Other Non-depreciable Land Development	516,800	
Total Land Costs	602,800	
Construction Costs:		
Depreciable Land Development Costs	1,450,000	
Construction Contract	69,392,333	\$72,351,386
Fixed Equipment Not in Contract	2,640,000	2,860,000
Architectural and Engineering Costs	5,457,109	9,684,296
Pre-filing Planning and Development Costs	293,000	293,000
Total Construction Costs	79,232,442	85,188,682
Estimated Total Capital Expenditure		\$165,023,924

Staff notes that Non-Depreciable Land Development (\$516,800) represents the demolition of the Dowling Connector Building, which is necessary to construct the Menino Addition. The Depreciable Land Development (\$1,450,000) represents the site improvements, walk-ways and landscaping costs related to both the Menino Addition and Moskley Addition. BMC reports that the site improvements are part of the landscape redesign and improvements requested by the BRA as part of its approval process for the additions. They include relocation of the Shapiro building driveway, Albany Street curb cut relocations and sidewalk improvements due to the relocation of the ED walk-in entrance, relocation of the East Concord Street bus stop, and new planting beds along building/sidewalk edges as necessary.

In determining the reasonableness of the requested capital expenditure, Staff reviewed the requested cost/GSF for new construction. Based on the recommended 115,286 GSF for new construction, the requested cost/GSF is \$672.90/GSF (November 2013 dollars) as calculated below.

Construction Contract	\$69,392,333
Site and Soil Investigation	86,000
Fixed Equipment	2,640,000
Architectural and Engineering Costs	5,457,109
Total	\$77,575,442
Total GSF Requested	115,286
Cost/GSF	\$672.90

Staff has compared the requested new construction cost of \$672.90/GSF to the most recent Marshall & Swift Valuation Service ("Marshall") class A "Excellent" base cost/GSF under its General Hospital

designation. Staff found the requested new construction cost of \$672.90/GSF to be slightly lower than the comparable Marshall & Swift ("Marshall") cost estimate (class A "Excellent").

Based on the recommended approval of 310,437 GSF for renovation, the requested cost/GSF is \$273.48/GSF (November 2013 dollars) as calculated below:

Construction Contract	\$72,351,386
Fixed Equipment Not in Contract	2,860,000
Architectural & Engineering Costs	2,684,296
Total	\$84,895,682
Total GSF Requested	310,437
Cost/GSF	\$273.48

The requested renovation cost of \$273.48/GSF is less than the DoN standard of 60% of the Marshall allowable cost/GSF for new construction of \$679.43/GSF.

Staff finds the construction costs of the project to be reasonable relative to the Marshall & Swift construction cost estimates for hospital construction in the Boston area.

2. Reasonableness of Incremental Operating Costs

The requested and recommended incremental operating cost savings of \$(14,098,000) (November 2013 dollars) for the project's first full year (FY 2018) of operation are indicated below:

Salaries, Wages, Fringe Benefits	\$(14,646,000)
Supplies and Other Expenses	(8,779,000)
Depreciation	6,127,000
Interest	3,200,000
Total Incremental Operating Costs	\$(14,098,000)

Staff finds the recommended incremental operating costs savings to be reasonable based on the projected cost savings expected after project completion. These savings are projected to result through the clinical services consolidation as well as energy efficiencies and the elimination of certain inefficiencies such as the short ambulance trips required to transport inpatients to specialists at the East Newton campus.

Staff notes that the above operating costs represent a decrease in staffing of 200.73 FTEs upon project completion. BMC reports that this decrease will result from the vacating of the Newton Pavilion and the reduction of 129 licensed beds, and that these positions are spread across nearly all hospital departments: administrative, ancillary services, nursing, and support services.

In addition, BMC reports that the projected increase in interest expense is related to other capital improvement projects unrelated to the DoN project that may require the use of debt financing as a result of the DoN project being funded completely with equity.

All operating costs are subject to review and approval by the Center for Health Information and Analysis and by third party payers according to their policies and procedures.

F. Financial Feasibility and Capability

The recommended MCE of \$165,023,924 (November 2013 dollars) will be funded with 100% equity by BMC. The equity will be provided through BMC's Board-designated investments (\$87,500,000 - Plant Replacement Fund), Donor-restricted investments (\$32,000,000 - Endowment Fund) and \$46,000,000 from the sale/lease back of the Newton Pavilion. BMC reports that this amount is based on the estimated sale

price of the Newton Pavilion less lease payments required to continue current BMC medical services in the building until the proposed consolidation project is complete.

A review of BMC's most recent audited financial statements (FY 2012) shows that sufficient Plant Replacement and Endowment funds are available to provide \$119,500,000 of the proposed equity. As indicated above, the remaining \$46,000,000 in equity is expected to result from the Newton Pavilion sale, based upon professional appraisal of the property value.

Based on the above analysis, Staff finds the project to be financially feasible and within the financial capability of the Applicant.

G. Relative Merit

BMC reports that it considered three other alternatives prior to its decision to undertake the proposed consolidation of its two existing campuses.

Alternative 1: Converting the Newton Pavilion into a Women's and Children's Hospital and having the Menino campus provide all adult inpatient and subspecialty services.

This option would have required a 30,000 square foot addition to the Menino Pavilion to accommodate expansion of the ED and surgical service, as well as major realignment of services across the campus. Although the capital requirement was significantly less, the ongoing annual operating savings was only one-third of that estimated in the proposed consolidation plan.

Alternative 2: Constructing a new 220,000 square foot inpatient building on the site of the existing Dowling Building, adjacent to the Menino Pavilion.

This option resulted in the same number of adult medical/surgical and ICU beds as is being proposed in the present consolidation plan. However, the capital cost was 23% higher than BMC is currently proposing and the annual operating savings were several million dollars less.

Alternative 3: Maintaining the status quo with a small expansion to the ED.

While the capital cost of this option was half of the current proposed consolidation plan, there were no annual operating savings to be gained.

Based upon the above analysis, Staff finds that the project meets the relative merit factor.

H. Community Health Initiatives

BMC has agreed to provide a total of \$8,251,196 to fund the community health service initiatives described in Attachment 2. Staff will recommend the funding of these initiatives as a condition of approval.

Based on the above information, Staff finds that BMC meets the community initiatives requirements of the DoN regulations.

I. Environmental Impact

Staff notes that BMC has submitted the LEED 2009 for Healthcare: New Construction and Major Renovations project checklist ("Checklist") to demonstrate its commitment to green building standards for the proposed project (Attachment 4). The Checklist shows that the proposed new addition will achieve 55 out of a possible 110 credit points, meeting the minimum 50% compliance standard of the Department's Determination of Need Guidelines for Environmental and Human Health Impact ("Environmental Guidelines").

Based on the above information, Staff finds that BMC meets the environmental requirements of the DoN regulations.

IV. STAFF FINDINGS

1. BMC is proposing to consolidate its two existing campuses into one by transferring services currently available at the East Newton Campus to the Manino Pavilion Campus by phasing several new construction and renovation projects to transition all patient care onto one, centralized campus.
2. The health planning process for the project was satisfactory.
3. The proposed new construction and substantial renovation is supported by current and projected service utilization, as discussed under the Health Care Requirements factor of the Staff Summary.
4. The project, with adherence to certain conditions, meets the operational objectives of the DoN regulations.
5. The project, with adherence to a certain condition, meets the standards compliance factor of the DoN regulations.
6. The recommended maximum capital expenditure of \$165,023,924 (November 2013 dollars) is reasonable compared to Marshall & Swift construction cost estimates.
7. The recommended incremental operating costs savings of \$(14,098,000) (November 2013 dollars) are reasonable as projected cost savings expected after project completion.
8. The project is financially feasible and within the financial capability of the Hospital.
9. The project satisfies the requirements for relative merit.
10. The proposed community health service initiatives, with adherence to a certain condition, are consistent with the DoN regulation.
11. BMC meets the Determination of Need Guidelines for Environmental and Human Health Impact ("Environmental Guidelines").

IV. STAFF RECOMMENDATION

Based on the above analysis and findings, Staff recommends approval with conditions of Project Number 4-3C32 filed by Boston Medical Center to undertake new construction and renovation to transition all inpatient and interventional care and most of its ambulatory services onto one, centralized campus.

Failure of the applicant to comply with these conditions may result in Departmental sanctions including possible fines and/or revocation of the DoN.

1. Boston Medical Center shall accept the maximum capital expenditure of \$165,023,924 (November 2013 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.
2. The total approved gross square feet ("GSF") for this project shall be 425,723 GSF, which will include 115,286 GSF of new construction and 310,437 GSF of renovation.
3. Boston Medical Center shall provide culturally appropriate language access services as described in the document prepared by the Office of Health Equity ("OHE"), as amended from time to time by

- agreement of the Applicant and OHE, which is attached and is incorporated herein by reference (Attachment 1).
- 4. Boston Medical Center shall contribute a total of \$8,251,196 (November 2013 dollars) to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning, as amended from time to time by agreement of the Applicant and OHC, which is attached as Attachment 2 and incorporated herein by reference.

Boston Medical Center has agreed to these conditions.

List of Attachments

1. Language Access
2. Community Initiatives
3. Construction and Renovation Summary
4. LEED 2009 for Healthcare Summary

Attachment/Exhibit

C



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5690
www.mass.gov/dph/don

April 14, 2014

Jane Barry
Project Director
Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118

TRANSMITTED VIA EMAIL
NOTICE OF DETERMINATION OF NEED
Project Number 4-3C32
(New Construction and Renovation to
Consolidate Two Hospital Campuses)

Dear Ms. Barry:

At their meeting of April 9, 2014, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c.111, § 25C and the regulations adopted thereunder, to approve with conditions the application filed by Boston Medical Center ("BMC" or "Applicant") for Determination of Need. The project, as approved, involves new construction and renovation of space at the BMC's Menino Campus to permit the transfer of patient services currently sited at the East Newton Campus. On project completion, all patient services at the East Newton Campus will be discontinued and all BMC's inpatient and interventional care and most of its ambulatory services will be centralized on a single campus.

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

The total approved gross square feet ("GSF") for this project is 425,723 GSF, which includes 115,286 GSF of new construction and 310,437 GSF of renovation.

The approved maximum capital expenditure ("MCE") of \$165,023,924 (November 2013 dollars) is itemized below:

	New Construction	Renovation
Land Costs:		
Site Survey & Soil Investigation	\$ 86,000	
Other Non-depreciable Land Development	<u>516,800</u>	
Total Land Costs	<u>602,800</u>	
Construction Costs:		
Depreciable Land Development Costs	1,450,000	
Construction Contract	69,392,333	\$72,351,386
Fixed Equipment Not in Contract	2,640,000	2,860,000
Architectural and Engineering Costs	5,457,109	9,684,296
Pre-filing Planning and Development Costs	<u>293,000</u>	<u>293,000</u>
Total Construction Costs	79,232,442	85,188,682
Estimated Total Capital Expenditure		\$165,023,924

The recommended MCE will be funded with 100% equity by BMC with Board-designated investments (\$87,500,000 - Plant Replacement Fund), Donor-restricted investments (\$32,000,000 - Endowment Fund) and \$46,000,000 from the sale/lease back of the Newton Pavilion.

The approved incremental operating costs of \$(14,098,000) (November 2013 dollars) for the project's first full year (FY 2018) of operation are indicated below:

Salaries, Wages, Fringe Benefits	\$(14,646,000)
Supplies and Other Expenses	(8,779,000)
Depreciation	6,127,000
Interest	<u>3,200,000</u>
Total Incremental Operating Costs	\$(14,098,000)

The reasons for this approval with conditions are as follows:

1. BMC is proposing new construction and renovation to consolidate its clinical services into one centralized campus by transferring services currently available at the East Newton Campus to the Menino Pavilion.
2. The health planning process for the project was satisfactory.
3. The proposed new construction and substantial renovation is supported by current and projected service utilization, as discussed under the Health Care Requirements factor of the Staff Summary.
4. The project, with adherence to certain conditions, meets the operational objectives of the DoN regulations.
5. The project, with adherence to a certain condition, meets the standards compliance factor of the DoN regulations.
6. The recommended maximum capital expenditure of \$165,023,924 (November 2013 dollars) is reasonable compared to Marshall & Swift construction cost estimates.
7. The recommended incremental operating cost savings of \$(14,098,000) (November 2013 dollars) is reasonable as projected cost savings expected after project completion.
8. The project is financially feasible and within the financial capability of the Hospital.
9. The project satisfies the requirements for relative merit.
10. The proposed community health service initiatives, with adherence to a certain condition, are consistent with DoN regulations.
11. BMC meets the Determination of Need Guidelines for Environmental and Human Health Impact ("Environmental Guidelines").

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

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

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

1. Boston Medical Center shall accept the maximum capital expenditure of \$165,023,924 (November 2013 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.

2. The total approved gross square feet ("GSF") for this project shall be 425,723 GSF, which will include 115,286 GSF of new construction and 310,437 GSF of renovation.

3. Boston Medical Center shall provide culturally appropriate language access services as described in the document prepared by the Office of Health Equity ("OHE"), as amended from time to time by agreement of the Applicant and OHE, which is attached and is incorporated herein by reference (Attachment I).

4. Boston Medical Center shall contribute a total of \$8,251,196 (November 2013 dollars) to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning, as amended from time to time by agreement of the Applicant and OHC, which is attached as Attachment 2 and incorporated herein by reference.

5. Boston Medical Center agrees that this Determination of Need is conditioned upon its agreement to submit reports of emergency department patient flow metrics to the Department on a quarterly basis following the start of construction through 2018, as directed by the Department. During construction of the project, the Department may conduct one or more onsite surveys to review emergency department patient flow issues. This condition shall survive the implementation of this Determination of Need and shall be binding upon the Applicant until the end of the last reporting period as determined by the Department.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

BP/jp

cc: Sherman Lohnes, Division of Health Care Quality
Mary Byrnes, Center for Health Information and Analysis
Priscilla Portis, Division of Medical Assistance
Cathy O'Connor, Office of Community Health Planning
Samuel Louis, Office of Health Equity



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5200
Fax: 617-624-5206
www.mass.gov/dph

March 4, 2014

Kathleen E. Walsh
President and Chief Executive Officer
Boston Medical Center
771 Albany Street
Boston, MA 02118

Dear Ms. Walsh:

Pursuant to Boston Medical Center's Determination of Need (DoN) application for construction to consolidate services of its campuses, Samuel Louis met with Jeffery Schuster, Director of Operations, Ravin Davidoff, Chief Medical Officer, Eric J. Hardt, Medical Consult to Interpreter Services Department, Elida Acuna-Martinez, Director of Interpreter Services Department, Sandra Montrand, Clinical Compliance Manager, Stanley Hochberg, Senior Vice President of Quality, Safety and Technology/Chief Quality Officer, and Laura Harrington, Executive Director, Quality and Patient Safety.

After review and discussion of submitted documents, the Office of Health Equity has determined that that in order to meet the needs of limited English proficient patients, Boston Medical Center shall continue to enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services

- Revise its policies and procedure to include:
 - Grievances procedures with detailed internal and external contact information and languages that ensures continued quality in health care services upon the filing of a grievance
 - The use of only trained medical personnel for medical interpretation
- Ensure that the recently revised Policy and Procedures is adopted throughout the hospital and all sites operating under its license
- Provide the Office of Health Equity with written justification for providing only telephonic interpretation to their Greater Roslindale Medical and Dental Center site

- Include the Manager of Interpreter Services in all decision-making processes that have an impact on communities that are racially, ethnically, and linguistically different, including, but not limited to, quality improvement projects
- Identify and report on the different mechanisms and/or projects the hospital and sites are currently implementing, and how they will continue to use the data collected on race, ethnicity, and language to improve patient care and achieve health equity
- Expand its implementation plan of the CLAS standards to all of its sites. A proposed plan is to be developed and include specific goals and objectives, action steps, targeted staff/departments, evaluation, and outcomes
- Continue to enhance its data collection mechanism to comprehensively monitor, assess, and capture all activities related to the IS, particularly data collection on race, language, and ethnicity, including all of its sites. Accuracy in data collection is vital for analysis, planning, and reporting
- Provide oversight and full support to all of its sites
- Post signage at all points of contact informing patients of the availability of interpreter services at no charge at all its sites
- Provide ongoing training for all hospital and sites staff, new hires, and volunteers on the appropriate use of Interpreter Service Department and emerging issues
- Conduct tailored outreach to all of its identified service areas to ensure that their LEP communities have firsthand information about the hospital and the availability of interpreter services. This plan shall include periodic coordination with community groups to gather information about new and emerging LEP populations in the service areas and the identification of a systemic support necessary to conduct outreach to non-English speaking communities throughout all satellite clinic service areas, if any

An overall implementation plan is to be submitted within 30 days of DoN approval to:

Samuel Louis, M.P.H.
 Massachusetts Department of Public Health
 Office of Health Equity
 250 Washington Street, 5th Floor
 Boston, MA 02108

The overall plan shall include anticipated goals, action steps, anticipated outcomes, evaluation, and periodic submission of progress reports.

The Office of Health Equity recognizes Boston Medical Center's unique relationship with several independent community health centers (CHCs) that operate on its acute hospital license. Boston Medical Center has committed to continuing to work with the CHCs to support and strengthen

their interpreter services programs, consistent with the elements outlined in this letter, and the Office of Health Equity acknowledges that the implementation plans may differ in operational model and resource intensity for the hospital as compared to the community health centers.

If you wish to discuss any of the conditions, or other areas covered at the visit, please contact me at (617) 624-5905 or at samuel.louis@state.ma.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Louis', with a large, stylized flourish extending to the right.

Samuel Louis, M.P.H.
Health Care Interpreter Services Coordinator

Enclosure

Cc:

Georgia Simpson May, Director, Office of Health Equity
Elida Acuna-Martinez, Director of Interpreter Services Department
Laura Harrington, Executive Director, Quality and Patient Safety



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT RN
COMMISSIONER

Tel: 617-624-5200
Fax: 617-624-5208
www.mass.gov/dph

To: Commissioner Bartlett and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: April 9, 2014 (issued April 1, 2014)

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center,
Project Number 4-3C32, Renovations, new construction and consolidation. MCE, \$165,023,924,
CHI, \$8,251,196

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the approved MCE of \$165,023,924 which is \$8,251,196, to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center's (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts residents do not have health coverage, 9.2% of BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing

community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.
2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000). In partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC), BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$4,251,196 of existing programming to be funded over 5-7 years. This funding would begin within forty five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$4 million would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to be in 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 CMR 100.551(J), the applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington St., Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Attachment/Exhibit

D

Attachment/Exhibit

1

December 31, 2014

DONOGHUE
BARRETT
& SINGAL

Via Email and Hand Delivery – Return Receipt Requested

Bernard A. Plovnick, Program Director
Department of Public Health
Determination of Need Program
250 Washington Street
Boston, MA 02108

Re: Request for Approval of Significant Amendment to Determination of Need
Project #4-3C32, Boston Medical Center

Dear Mr. Plovnick:

We write on behalf of Boston Medical Center (the "Applicant"), the holder of approved Determination of Need ("DoN") Project #4-3C32 ("Project"). The approved Project authorized new construction and renovation at the Applicant's Menino Campus, located at 840 Harrison Avenue in Boston, to permit the transfer of inpatient, interventional care, and ambulatory services currently sited at the Applicant's East Newton Campus, and to consolidate patient services on a single campus. In accordance with the requirements of 105 C.M.R. §100.753 and 105 C.M.R. §100.756, the Applicant hereby submits this request for a significant amendment to its DoN authorization. We offer the following comments in support of this request.

Background

On April 14, 2014, the Applicant received approval for the Project from the DoN Program. Exhibit A. Specifically, the approval authorized new construction and renovation of space at the Applicant's Menino Campus to permit the transfer of patient services currently sited at the Applicant's East Newton Campus. The construction and renovation allows the Applicant to discontinue all patient services at its East Newton Campus and centralize all inpatient and interventional care and most ambulatory services on a single campus. The total approved gross square feet ("GSF") is 425,723 GSF, which includes of 115,286 GSF of new construction and 310,437 GSF of renovation. The approved maximum capital expenditure ("MCE") associated with the Project is \$165,023,924 in November 2013 dollars. The Applicant funded the approved MCE with 100% equity comprised of investments and a sale/lease back of the East Newton Campus property.

At this time, the Applicant seeks to amend its DoN approval to reflect changes. The Applicant requests a change in the method of financing as the Project will be financed through tax exempt bonds rather than an equity contribution as currently approved. The Applicant seeks to amend its DoN for certain changes in the scope of the Project and building design that have arisen as more detailed planning occurred. As a result of these changes, the Applicant also seeks approval to

increase the total approved GSF for the Project. Finally, the Applicant seeks to increase the approved MCE to reflect increased costs associated with construction and renovation activities. The Applicant identified the need for these changes to its DoN approval as a result of a variety of factors, which are discussed more fully in the following narrative.

Review of Requested Changes to Approval

1. Changes to Approved Financing Method

As previously indicated, the Applicant seeks to alter the approved method of financing for the Project. The Applicant requests approval to change the Project's financing from a 100% equity contribution to tax exempt bonds. The Applicant will issue tax exempt bonds in order to finance the majority of the Project costs. The remainder of the MCE will be financed through the Applicant's available funds. The use of tax exempt bonds will allow the Applicant to borrow funds for the Project at more favorable rates than other methods of financing. A change in the financing method also will allow the Applicant to retain those equity funds designated for the Project. The requested change will allow the Applicant to finance the Project in the most beneficial manner from a long term planning perspective.

2. Changes in Scope of the Project

As more detailed planning was developed for the Project, the Applicant determined that relocating its Endoscopy Department to a new space was now financially and operationally feasible to do as part of the approved DoN. The relocation of the Endoscopy Department was included in the Applicant's long range planning processes to be performed at a later time and not as part of the Project. After considerable review and evaluation, it was determined that the relocation of the Endoscopy Department would be more cost and operationally efficient if performed in conjunction with the approved DoN.

The Applicant requests Department approval to amend the scope of the Project to include the relocation of the Applicant's Endoscopy Department to a new space within the Moakley addition. This space previously was identified as the site of two (2) new operating rooms. In developing its architectural plans, the Applicant eliminated the additional operating rooms and decided to move the Endoscopy Department into this space. Relocation of the Applicant's Endoscopy Department will improve the flow of patients and staff members and will provide appropriately sized procedure rooms. The proposed changes in scope to accommodate the Endoscopy Department work will not result in an increase to operating or procedure room capacity as it is a relocation only.

3. Changes in Approved GSF

Changes in the GSF associated with the approved Project require modification. In developing final plans for the Project, the building footprint is changed slightly than proposed in the original DoN application. The differences are attributable to design modifications to ensure the Project is appropriately sized for operational efficiency. The DoN approved 115,286 GSF of new construction and 310,437 GSF of renovation. The Applicant is now seeking approval for 113,939 GSF of new construction, a decrease of 1,347 GSF or -1.2%, and 327,528 GSF of renovation, an increase of 17,091 GSF or 5.5%. Approval of this request will result in a total approved GSF for the Project of 441,467 GSF, an overall increase of 3.7% or 15,744 GSF in the total Project GSF. These changes were not foreseeable at the time the Application was filed as they result from further design developments.

3. Changes in Approved MCE

The Applicant seeks to increase the approved MCE for the Project due to unforeseen construction contracting circumstances. The approved MCE for the Project is \$165,023,924 in November 2013 dollars. Using a 1.0384 inflation adjustment multiplier, the inflation-adjusted MCE through December 2014 is \$171,360,843. At this time, the Applicant seeks approval for an increase to the inflation-adjusted MCE to \$230,332,809 (December 2014 dollars). This is an increase of \$58,971,966, or 34.4%, from the inflation-adjusted MCE. The following chart details the costs for the increased MCE.

Category of Expenditure	Approved New Constr. (11/13 \$)	Approved Renovation (11/13 \$)	Inflation Adj. New Constr. (12/14 \$)	Inflation Adj. Renovation (12/14 \$)	Requested New Constr. (12/14 \$)	Requested Renovation (12/14 \$)
Land Costs						
Land Acquisition	\$0	\$0	\$0	\$0	\$0	\$0
Non-Depreciable Land Dev.	\$516,800	\$0	\$536,645	\$0	\$516,800	\$0
Site Survey and Soil Invest.	\$86,000	\$0	\$89,302	\$0	\$158,300	\$0
Total Land Costs	\$602,800	\$0	\$625,948	\$0	\$675,100	\$0
Construction Costs						
Building Acquisition Costs	\$0	\$0	\$0	\$0	\$0	\$0
Depreciable Land Dev. Costs	\$1,450,000	\$0	\$1,505,680	\$0	\$1,450,000	\$0
Construction Contract	\$69,392,333	\$72,351,386	\$72,056,999	\$75,129,679	\$103,585,486	\$104,240,078
Fixed Equipment Not in Contract	\$2,640,000	\$2,860,000	\$2,741,376	\$2,969,824	\$2,640,000	\$2,860,000
Architect. & Engineering Costs	\$5,457,109	\$9,684,296	\$5,666,662	\$10,056,173	\$7,266,755	\$7,009,390
Pre-filing Planning and Dev.	\$293,000	\$293,000	\$304,251	\$304,251	\$293,000	\$293,000
Post-filing Planning and Dev.	\$0	\$0	\$0	\$0	\$0	\$0
Other: pre-con, project management	\$0	\$0	\$0	\$0	\$0	\$0
Other: furniture, signage, moving	\$0	\$0	\$0	\$0	\$0	\$0
Net Int Exp During Const	\$0	\$0	\$0	\$0	\$0	\$0
Major Movable Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Total Construction Costs	\$79,232,442	\$85,188,682	\$82,274,968	\$88,459,927	\$115,235,241	\$114,432,468
Financing Costs						
Costs of Securing Financing	\$0	\$0	\$0	\$0	\$0	\$0
Total Financing Costs	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Expenditure	\$79,835,242	\$85,188,682	\$82,980,915	\$88,459,927	\$115,235,241	\$114,432,468
Total MCE	\$165,023,924		\$171,360,843		\$230,332,809	

The Applicant notes that the increase of \$58,971,966 to the inflation-adjusted MCE is based on the construction contracts received during an extensive bidding process. As the Applicant began to solicit bids for construction and renovation, it determined that its estimation of construction contracting costs was understated and financially unfeasible to pursue its approved campus redesign. The Applicant now projects that the construction contract costs will be approximately \$207,825,564. Other costs categories increased slightly due to these changes. The cost increases were not reasonably foreseeable by the Applicant at the time it filed its DoN application. The proposed increase to the MCE is reasonable in light of the construction bids received and is necessary to complete the Project scope as approved.

Request for Significant Change

Pursuant to the provisions of 105 C.M.R. §100.753(A), the Applicant respectfully requests approval for the above-described significant change to the approved DoN authorization. The Department's approval of this amendment will enable the Applicant to secure financing needed to pursue the approved scope of the campus redesign Project. Additionally, the Applicant will be able to relocate its Endoscopy Department to a more efficient space as well as appropriately account for additional costs imposed on the Applicant during construction and renovation as related to the bidding and contracting process. Approval of the requested significant change amendment will enable the Applicant to discontinue patient services at its East Newton Campus and consolidate all inpatient and interventional care and most ambulatory services at its Menino campus.

In accordance with the provisions of 105 C.M.R. §100.753, the Applicant hereby states the following:

1. This original request and two (2) copies are being submitted to the DoN Program. A copy of the request also is being submitted to the Metro Boston Regional Health Office, the Center for Health Information and Analysis, and the Health Policy Commission.
2. Pursuant to 105 C.M.R. §100.756, this request provides a detailed description and comparison of the approved project and the proposed change, a description of cost implications, and the rationale for the proposed change.
3. Attached at Exhibit B is an Affidavit of Truthfulness and Proper Submission in conformance with 105 C.M.R. §100.324, certifying to the truthfulness of the facts set forth in this request and that the requisite number of copies of the request have been sent to the DoN Program, the Metro Boston Regional Health Office, the Center for Health Information and Analysis, and the Health Policy Commission.

Bernard A. Plovnick, Program Director
December 31, 2014
Page 5

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BARRETT
& SINGAL

4. Per 105 C.M.R. §§100.330 and 100.331(A) of the DoN regulations, notice of this request for significant change will be published in the *Boston Herald* on January 2, 2015. Original copies of the notice and the original Return of Publication Affidavit will be provided to the DoN Program when available.

In furtherance of the requirements set forth at 105 C.M.R. §§100.533(B)(9) and 100.551(J), the Applicant will contribute five percent (5%) of the requested \$65,308,885 increase in the MCE, or \$3,265,444 to support primary and preventative health care services and related community benefits. This contribution will be paid by the Applicant in equal installments of \$653,089 per year over a five (5) year period. These payments will be applied towards programmatic priorities determined through discussions between the Applicant and the Office of Healthy Communities. The Applicant will submit all necessary reports related to the payment of community benefits as required by the Department and the Office of Healthy Communities.

The Department's approval of this request will conform with its mandate to guarantee access to health care services at affordable costs. This request for a significant amendment meets the requirements set forth at 105 C.M.R. §§100.753 and 100.756 of the DoN Program regulations. The Applicant respectfully requests the Department's approval of this request for a significant change to its existing DoN authorization.

We thank you for your attention to this request. Please do not hesitate to contact Nicole Sexton, Esq. or me if you have any questions or require additional information.

Sincerely,

Andrew A. Levine

Andrew S. Levine

Enclosures (original and 2 copies)

cc: M. Begley
E. Weinstein
B. Whalen
M. Bymes, Center for Health Information and Analysis
K. Scarborough, Health Policy Commission
K. Feldmar, MassHealth
D. Garbarino, MassHealth
D. Chaplin, Metro Boston Regional Health Office

Attachment/Exhibit

A



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5690
www.mass.gov/dph/don

April 14, 2014

Jane Barry
Project Director
Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118

TRANSMITTED VIA EMAIL
NOTICE OF DETERMINATION OF NEED
Project Number 4-3C32
(New Construction and Renovation to
Consolidate Two Hospital Campuses)

Dear Ms. Barry:

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Land Costs:		
Site Survey & Soil Investigation	\$ 86,000	
Other Non-depreciable Land Development	<u>516,800</u>	
Total Land Costs	<u>602,800</u>	
Construction Costs:		
Depreciable Land Development Costs	1,450,000	
Construction Contract	69,392,333	\$72,351,386
Fixed Equipment Not in Contract	2,640,000	2,860,000
Architectural and Engineering Costs	5,457,109	9,684,296
Pre-filing Planning and Development Costs	<u>293,000</u>	<u>293,000</u>
Total Construction Costs	79,232,442	85,188,682
Estimated Total Capital Expenditure		\$165,023,924

The recommended MCE will be funded with 100% equity by BMC with Board-designated investments (\$87,500,000 - Plant Replacement Fund), Donor-restricted investments (\$32,000,000 - Endowment Fund) and \$46,000,000 from the sale/lease back of the Newton Pavilion.

The approved incremental operating costs of \$(14,098,000) (November 2013 dollars) for the project's first full year (FY 2018) of operation are indicated below:

Salaries, Wages, Fringe Benefits	\$(14,646,000)
Supplies and Other Expenses	(8,779,000)
Depreciation	6,127,000
Interest	<u>3,200,000</u>
Total Incremental Operating Costs	\$(14,098,000)

The reasons for this approval with conditions are as follows:

1. BMC is proposing new construction and renovation to consolidate its clinical services into one centralized campus by transferring services currently available at the East Newton Campus to the Menino Pavilion.
2. The health planning process for the project was satisfactory.
3. The proposed new construction and substantial renovation is supported by current and projected service utilization, as discussed under the Health Care Requirements factor of the Staff Summary.
4. The project, with adherence to certain conditions, meets the operational objectives of the DoN regulations.
5. The project, with adherence to a certain condition, meets the standards compliance factor of the DoN regulations.
6. The recommended maximum capital expenditure of \$165,023,924 (November 2013 dollars) is reasonable compared to Marshall & Swift construction cost estimates.
7. The recommended incremental operating cost savings of \$(14,098,000) (November 2013 dollars) is reasonable as projected cost savings expected after project completion.
8. The project is financially feasible and within the financial capability of the Hospital.
9. The project satisfies the requirements for relative merit.
10. The proposed community health service initiatives, with adherence to a certain condition, are consistent with DoN regulations.
11. BMC meets the Determination of Need Guidelines for Environmental and Human Health Impact ("Environmental Guidelines").

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

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

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

1. Boston Medical Center shall accept the maximum capital expenditure of \$165,023,924 (November 2013 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.
2. The total approved gross square feet ("GSF") for this project shall be 425,723 GSF, which will include 115,286 GSF of new construction and 310,437 GSF of renovation.
3. Boston Medical Center shall provide culturally appropriate language access services as described in the document prepared by the Office of Health Equity ("OHE"), as amended from time to time by agreement of the Applicant and OHE, which is attached and is incorporated herein by reference (Attachment 1).
4. Boston Medical Center shall contribute a total of \$8,251,196 (November 2013 dollars) to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning, as amended from time to time by agreement of the Applicant and OHC, which is attached as Attachment 2 and incorporated herein by reference.
5. Boston Medical Center agrees that this Determination of Need is conditioned upon its agreement to submit reports of emergency department patient flow metrics to the Department on a quarterly basis following the start of construction through 2018, as directed by the Department. During construction of the project, the Department may conduct one or more onsite surveys to review emergency department patient flow issues. This condition shall survive the implementation of this Determination of Need and shall be binding upon the Applicant until the end of the last reporting period as determined by the Department.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

BP/jp

cc: Sherman Lohnes, Division of Health Care Quality
Mary Byrnes, Center for Health Information and Analysis
Priscilla Portis, Division of Medical Assistance
Cathy O'Connor, Office of Community Health Planning
Samuel Louis, Office of Health Equity



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5200
Fax: 617-624-5206
www.mass.gov/dph

March 4, 2014

Kathleen E. Walsh
President and Chief Executive Officer
Boston Medical Center
771 Albany Street
Boston, MA 02118

Dear Ms. Walsh:

Pursuant to Boston Medical Center's Determination of Need (DoN) application for construction to consolidate services of its campuses, Samuel Louis met with Jeffery Schuster, Director of Operations, Ravin Davidoff, Chief Medical Officer, Eric J. Hardt, Medical Consult to Interpreter Services Department, Elida Acuna-Martinez, Director of Interpreter Services Department, Sandra Montrand, Clinical Compliance Manager, Stanley Hochberg, Senior Vice President of Quality, Safety and Technology/Chief Quality Officer, and Laura Harrington, Executive Director, Quality and Patient Safety.

After review and discussion of submitted documents, the Office of Health Equity has determined that in order to meet the needs of limited English proficient patients, Boston Medical Center shall continue to enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services

- Revise its policies and procedure to include:
 - Grievances procedures with detailed internal and external contact information and languages that ensures continued quality in health care services upon the filing of a grievance
 - The use of only trained medical personnel for medical interpretation
- Ensure that the recently revised Policy and Procedures is adopted throughout the hospital and all sites operating under its license
- Provide the Office of Health Equity with written justification for providing only telephonic interpretation to their Greater Roslindale Medical and Dental Center site

- Include the Manager of Interpreter Services in all decision-making processes that have an impact on communities that are racially, ethnically, and linguistically different, including, but not limited to, quality improvement projects
- Identify and report on the different mechanisms and/or projects the hospital and sites are currently implementing, and how they will continue to use the data collected on race, ethnicity, and language to improve patient care and achieve health equity
- Expand its implementation plan of the CLAS standards to all of its sites. A proposed plan is to be developed and include specific goals and objectives, action steps, targeted staff/departments, evaluation, and outcomes
- Continue to enhance its data collection mechanism to comprehensively monitor, assess, and capture all activities related to the IS, particularly data collection on race, language, and ethnicity, including all of its sites. Accuracy in data collection is vital for analysis, planning, and reporting
- Provide oversight and full support to all of its sites
- Post signage at all points of contact informing patients of the availability of interpreter services at no charge at all its sites
- Provide ongoing training for all hospital and sites staff, new hires, and volunteers on the appropriate use of Interpreter Service Department and emerging issues
- Conduct tailored outreach to all of its identified service areas to ensure that their LEP communities have firsthand information about the hospital and the availability of interpreter services. This plan shall include periodic coordination with community groups to gather information about new and emerging LEP populations in the service areas and the identification of a systemic support necessary to conduct outreach to non-English speaking communities throughout all satellite clinic service areas, if any

An overall implementation plan is to be submitted within 30 days of DoN approval to:

Samuel Louis, M.P.H.
 Massachusetts Department of Public Health
 Office of Health Equity
 250 Washington Street, 5th Floor
 Boston, MA 02108

The overall plan shall include anticipated goals, action steps, anticipated outcomes, evaluation, and periodic submission of progress reports.

The Office of Health Equity recognizes Boston Medical Center's unique relationship with several independent community health centers (CHCs) that operate on its acute hospital license. Boston Medical Center has committed to continuing to work with the CHCs to support and strengthen

their interpreter services programs, consistent with the elements outlined in this letter, and the Office of Health Equity acknowledges that the implementation plans may differ in operational model and resource intensity for the hospital as compared to the community health centers.

If you wish to discuss any of the conditions, or other areas covered at the visit, please contact me at (617) 624-5905 or at samuel.louis@state.ma.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Louis', with a large, stylized flourish extending from the end of the signature.

Samuel Louis, M.P.H.
Health Care Interpreter Services Coordinator

Enclosure

Cc:

Georgia Simpson May, Director, Office of Health Equity
Elida Acuna-Martinez, Director of Interpreter Services Department
Laura Harrington, Executive Director, Quality and Patient Safety



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT RN
COMMISSIONER

Tel: 617-624-5200
Fax: 617-624-5208
www.mass.gov/dph

To: Commissioner Bartlett and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: April 9, 2014 (issued April 1, 2014)

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center,
Project Number 4-3C32, Renovations, new construction and consolidation. MCE, \$165,023,924,
CHI, \$8,251,196

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the approved MCE of \$165,023,924 which is \$8,251,196, to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center's (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts residents do not have health coverage, 9.2% of BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing

community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.
2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000). In partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC), BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$4,251,196 of existing programming to be funded over 5-7 years. This funding would begin within forty five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$4 million would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to be in 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 CMR 100.551(J), the applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington St., Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Attachment/Exhibit

B

AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

We, the undersigned, on behalf of Boston Medical Center, hereby certify as follows:

1. We have read the Massachusetts Department of Public Health's (the "Department") Determination of Need regulations, 105 CMR 100.00 et seq. (the "Regulations").
2. We have read the foregoing Request for Significant Amendment, including all exhibits and attachments (the "Request"), prepared on behalf of Boston Medical Center.
3. We have caused to be submitted the required copies of this Request to the Program Director of the Determination of Need Program, the appropriate Regional Health Office of the Department, and the Center for Health Information and Analysis in accordance with 105 CMR 100.756(A). No filing with the Department of Elder Affairs or the Department of Mental Health was required by 105 CMR 100.152 or 105 CMR 100.153.
4. We have arranged for notices to be published in the *Boston Herald* on January 2, 2015 and to have an original of such notice forwarded to the Determination of Need Program and the Attorney General in accordance with 105 CMR 100.330-100.332 and 105 CMR 100.756(C) of the Regulations.
5. The material submitted to the Department by or on behalf of Boston Medical Center, with respect to the Request is true and does not, to the best of our knowledge, contain any false statement or misrepresentation of fact.

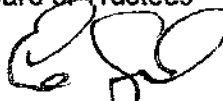
Signed on this 29th day of December, 2014, under the pains and penalties of perjury.

For Corporation:



By: Kathleen E. Walsh
Its: President and CEO

For Board of Trustees



By: Edmond English
Its: Chairman of the Board

On this 22nd day of December, 2014, Kathleen E. Walsh personally appeared before me, the undersigned notary public, and proved to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed above and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of her knowledge and belief.

Notary Public Signature:

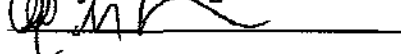


My Commission
Expires: July 24, 2020



On this 19th day of December, 2014, Edmond English personally appeared before me, the undersigned notary public, and proved to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed above and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his knowledge and belief.

Notary Public Signature:



My Commission
Expires: July 24, 2020



Attachment/Exhibit

2



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
99 Chauncy Street, Boston, MA 02111

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD
Commissioner

To: Commissioner Monica Bharel and Members of the Public Health Council

From: Bernard Plovnick, Director, Determination of Need Program

Through: Deborah Allwes, Director, Bureau of Health Care Safety and Quality

Subject: Boston Medical Center, Significant change to approved DoN Project No. 4-3C32
(New construction and renovations to consolidate two inpatient campuses)

Date: February 11, 2015 (Issued February 4, 2015)

I. Introduction

The purpose of this memorandum is to present for Public Health Council action a request by Boston Medical Center ("BMC" or "Hospital") for a significant change to its approved but not yet implemented DoN Project No. 4-3C32. The request involves changes in the scope, cost, and financing of the project that will consolidate the Hospital's clinical services on its Menino Campus at 840 Harrison Avenue in Boston. As submitted, the request seeks to increase the DoN-approved gross square feet ("GSF") of the project from 441,467 to 504,167 (138,480 GSF of new construction and 365,387 GSF of renovations) with an associated increase in the project's maximum capital expenditure ("MCE") from \$165,023,924 (November 2013 dollars) to \$250,479,809 (December 2014 dollars).

II. Background and Summary

As approved by the Department on April 14, 2014, the project scope involves new construction and renovations to permit the centralization of all inpatient, interventional care, and most ambulatory services currently divided between BMC's two main campuses into a single, centralized hospital campus in the South End section of Boston. The project will permit the transfer of clinical services currently provided at the East Newton Campus to its neighboring Menino Campus, located approximately two blocks away. As approved, the project would replace, and in most cases reduce existing service capacity resulting in projected annual operating cost savings of over \$14 million. BMC anticipated that savings will be achieved through efficiencies such as eliminating duplicate department and service locations and improvements such as ending the need for ambulance transport of patients between campuses.

BMC had planned to finance the \$165 million project without new debt, drawing exclusively upon existing hospital funds, including the proceeds of the sale/lease back of the East Newton Campus property.

As planning for the project proceeded, the Hospital identified a number of additional needed changes in the scope of the project and also determined from more precise cost estimation and contractor bids that the previous estimate had significantly understated the true cost of the project. As a result, BMC filed a request on December 31, 2014 to amend its approved DoN. The amendment request seeks changes in the project scope, financing, MCE, and projected annual incremental cost savings as summarized below:

	<u>Original DoN Approval</u>	<u>Proposed Amendment</u>	<u>% Change</u>
Gross Square Footage			
New Construction GSF	115,286	138,480	20%
Renovation GSF	310,437	365,687	18%
Total GSF in Project	425,723	504,167	18%
Capital Expenditure			
New Construction	\$79,835,242	\$125,993,841	58%
Renovation	\$85,188,682	\$124,485,968	46%
Total MCE	\$165,023,924	\$250,479,809	52%
Annual Incremental Costs/(Savings)	(\$14,098,000)	(\$8,121,000)	-42%

III. Staff Analysis

1. Change in Financing

BMC determined that it will be more advantageous to finance the project through a combination of equity funds and tax exempt bonds rather than 100% equity financing. The Applicant expects to cause the Massachusetts Development Finance Agency ("MDFA") to issue approximately \$175 million of tax-exempt bonds (the "Series 2015 Bonds") for its benefit on or about March 9, 2015. The Series 2015 Bonds will be used to provide financing for the DoN and other capital projects that will benefit BMC's healthcare operations. As currently proposed, bond proceeds would account for \$124,822,000 (49.8%) of the MCE with the balance of \$125,678,000 (50.2%) funded through equity from the Hospital's Plant Replacement and Expansion Fund and its Endowment Fund.

Staff notes that the change in financing will add \$2,322,000 in financing costs and \$17,845,000 in capitalized interest to the project MCE. Staff finds, however, that the proposed financing of the project compares very favorably with the equity contributions of previous DoN approvals of large scale construction projects, as shown below:

<u>DoN Project #</u>	<u>Applicant</u>	<u>Filing Date</u>	<u>MCE</u>	<u>Equity Contribution</u> (% of MCE)
4-3A80	Brigham and Women's Hospital	6/2004	\$208.5 M	55.0%
4-3C32	Boston Medical Center	12/2014	\$250.5 M	50.2%
4-3B32	Massachusetts General Hospital	11/2006	\$498.0 M	18.4%
1-3B36	Baystate Medical Center	3/2007	\$239.3 M	16.4%
4-3B84	Spaulding Rehabilitation Hosp.	1/2010	\$225.0 M	14.0%

A brief analysis of the Applicant's financial statements revealed a current ratio of 1.65 in FY 2012, exceeding the DoN standard (1.5). BMC also reported a debt service coverage ratio of 6.35 for FY 2014 and a projected ratio of 2.96 for FY 2018, both exceeding the DoN standard of 1.40. BMC's capability to service an increased level of debt will be closely scrutinized by MDFA prior to issuance of the bonds. As a result, Staff did not undertake a more extensive analysis of the Applicant's financial capability.

2. Project Scope Changes

BMC is requesting changes in the space allocations of functional areas previously included in the project scope that collectively result in an increase of 78,445 GSF (23,194 GSF of new construction and 55,250 GSF of renovations). BMC also requests one addition to the project scope: relocation of its endoscopy service to space in the Moakley Building previously intended to accommodate two operating rooms. According to BMC, this proposed relocation will not result in an increase in operating room or special procedure room capacity but will greatly improve the flow of patients and staff and will provide more appropriately sized procedure rooms for the endoscopy service.

According to the Applicant, the original DoN square footage was based upon BMC's facility master plan that included preliminary design for a series of complex construction projects that constitute the scope of the DoN project. Subsequent progress in the development of the project design, primarily related to the Menino Building expansion, has resulted in the need for numerous changes in project scope in order to accommodate hospital programs and to meet licensure and other regulatory code requirements.

The most significant increases in square footage are proposed for the emergency department, interventional procedures suite, intensive care units, pediatrics unit, general support services, and mechanical/electrical/plumbing space. The table below provides a breakdown by functional area of changes to the DoN approved square footage. A full and detailed comparison of DoN approved and amended square footage by functional area is provided in Attachment 2.

Net Change in Project GSF from DoN Approved (9/2013) to Proposed (1/ 2015)			
Functional Area	New Construction GSF	Renovations GSF	Total Change in GSF
Emergency Services	1,685	31,964	33,649
Radiology - Diagnostic Imaging	1,107	(5,606)	(4,499)
Radiology - Nuclear Medicine	218	0	218
Interventional Procedure Platform	8,943	938	9,881

Maternity/Newborn	0	0	0
ICU	2,194	23,830	26,024
Adult Med/Surg	(7,701)	(6,936)	(14,637)
Pedi Med/Surg	9,629	11,376	21,005
Central Processing Department	7,789	(8,254)	(465)
Pharmacy	212	0	212
Ambulatory Services	0	3,698	3,698
Dietary Services	(1,823)	(2,324)	(4,147)
Cardiovascular Testing	0	0	0
Dialysis	0	(1,949)	(1,949)
Respiratory Therapy	448	(4,404)	(3,956)
Admitting	0	0	0
General Conference	(5,059)	1,477	(3,582)
Public Areas	(6,942)	(4,589)	(11,531)
General Support Services	7,457	9,382	16,839
Sitework & Utilities	0	0	0
MEP	5,037	6,648	11,685
Total	23,194	55,250	78,445

3. Change in the Maximum Capital Expenditure

The BMC request would increase the MCE of the project by \$85,445,885 from \$165,023,924 (November 2013 dollars) to \$250,479,809 (December 2014 dollars). The construction contract (+\$66 million) and financing costs (+\$20 million) account for most of the increase. The unit costs for new construction and renovation compare favorably with Marshall & Swift construction cost estimates after adjusting for inflation and for miscellaneous construction expenses not captured in the Marshall & Swift standard¹.

4. Change in Incremental Operating Cost Savings

The revised incremental operating costs for Fiscal Year 2018 will result in annual savings of \$8,121,000 (January 2015 dollars) as shown below:

Salaries, Wages, Fringe Benefits	(\$14,646,000)
Purchased Services	\$0
Supplies and Other Expenses	(\$8,779,000)
Depreciation	\$6,500,000
Interest	\$8,804,000
Pension	\$0
Total Incremental Operating Costs	(\$8,121,000)

The operating cost savings are lower than the \$14,098,000 of savings projected in the original DoN approval due to the increase in interest and depreciation expenses.

¹ Examples of such expenses in the BMC project included additional mechanical/electrical penthouses, modification of existing building superstructure for future vertical expansion, and demolition and removal of abandoned utilities.

IV. Community Health Initiatives

BMC proposes to increase its contribution in support of community health initiatives proportionate to the proposed increase in MCE. Thus, an additional \$4,272,794 would be added to the \$8,251,196 associated with the project as originally approved for a revised total contribution of \$12,523,990. As reported in Attachment 1, the Office of Community Health Planning has approved the specified allocation of funds to the community health initiatives identified in the original DoN approval.

V. Findings and Recommendation

Based upon the foregoing analysis, Staff made the following findings:

1. The requested changes in the project scope, MCE, and operating costs could not have been foreseen at the time the DoN application was originally submitted.
2. Changes to the financing of the project are reasonable as compared to similar previously approved DoN projects.
3. The project, as amended, is financially feasible and within the financial capability of the Applicant.
4. The construction costs of the project are reasonable as compared to Marshall & Swift estimated costs, adjusted for inflation and for construction expenses not included in the Marshall & Swift standard.
5. The project, as amended, will result in annual operating cost savings of \$8,121,000.
6. The project, as amended, is consistent with Factor 9 of the DoN regulation (Community Health Initiatives).

Based upon the foregoing analysis and findings, Staff finds the request for significant change to be reasonable and recommends approval subject to the following conditions:

1. The approved MCE of the project as amended shall be \$250,479,809 (December 2014 dollars), itemized as follows:

	<u>New Construction</u>	<u>Renovation</u>	<u>Total</u>
Non-Depreciable Land Development	\$ 516,800	\$ 0	\$ 516,800
Site Survey and Soil Investigation	<u>158,300</u>	<u>0</u>	<u>158,300</u>
Total Land Costs	675,100	0	675,100
Depreciable Land Development Costs	1,450,000	0	1,450,000
Construction Contract	103,585,486	104,240,078	207,825,564
Fixed Equipment not in Contract	2,640,000	2,860,000	5,500,000
Architect. & Engineering Costs	7,266,755	7,009,390	14,276,145
Pre-filing Planning and Development	293,000	293,000	586,000
Post-filing Planning and Development	0	0	0
Net Interest Expense During Constr.	<u>8,922,500</u>	<u>8,922,500</u>	<u>17,845,000</u>

Total Construction Costs	124,157,741	123,324,968	247,482,709
Costs of Securing Financing	<u>1,161,000</u>	<u>1,161,000</u>	<u>2,322,000</u>
Totals	\$125,993,841	\$124,485,968	\$250,479,809

2. The approved gross square footage of the project as amended shall be 138,480 GSF of new construction and 365,387 GSF of renovations as itemized in Attachment 2
3. Boston Medical Center shall contribute \$125,678,000 in equity, or 50.2% of the amended maximum capital expenditure, to the funding of the project.
4. Boston Medical Center shall contribute an additional \$4,272,794 to the \$8,251,196 associated with the project as originally approved for a revised total contribution of \$12,523,990, an amount representing 5% of the maximum capital expenditure as amended, to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning ("OCHP"), as amended from time to time by agreement of Boston Medical Center and OCHP, which is presented as Attachment 1 and incorporated herein by reference.
5. All other conditions attached to the original approval of this project shall remain in effect.

ATTACHMENTS

Attachment 1: Community Health Initiatives

Attachment 2: Square Footage Chart



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

CHARLES D. BAKER
 Governor

KARYN E. POLITO
 Lieutenant Governor

MARYLOU SUDDERS
 Secretary

MONICA BHAREL, MD, MPH
 Commissioner

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

To: Commissioner Bharel and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: February 3, 2015

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center, Project 3B32.1, Significant Change to MCE and Scope. MCE increase \$85,455,885; Additional CHI: \$4,272,794

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the amended approved MCE, which increased from \$165,023,924 to \$250,479,809, for an increase from \$8,251,196 to \$12,523,990 to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts resident do not have health coverage 9.2% if BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.

2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000). In partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC), BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$6,452,360, including \$4,251,196 of existing funding and \$2,201,164 in additional funding through the DoN amendment, of existing programming to be funded over 5-7 years. This funding would begin within forty-five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$6,071,630, including \$4,000,000 of existing funding and \$2,071,630 in additional funding through the DoN amendment, would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to the 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 C.M.R. 100.551(J), the Applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community health Planning, 250 Washington Street, Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Schedule 5.1 Square Footage Comparison

(1)	January 2015										September 2013										Net Change 2013 to 2015	
	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)		(11)		(12)	
	Present Square Footage		Square Footage Involved in Project		New Construction		Renovation Area		Resulting Square Footage		New Construction		Renovation Area		Resulting Square Footage		New Construction		Renovation Area		Resulting Square Footage	
	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
Functional Area																						
Emergency Services	24,222	37,200	1,457	1,730	31,022	58,215	64,908	103,231	65,865		42	50	13,383	24,251	26,823	43,239	5,924		1,655		31,994	
Radiology - Diagnostic Imaging	25,815	40,823	5,041	9,694	9,105	12,551	15,694	24,490	(16,333)		5,351	8,587	13,080	18,457	20,309	29,375	(11,448)		1,107		-5,606	
Radiology - Nuclear Medicine	4,611	5,939	5,366	7,950			5,366	7,950	2,011		5,219	7,732			5,219	7,732	1,793		219		0	
Interventional Procedure Platform	68,366	99,755	26,545	30,402	30,809	47,984	71,407	95,940	(1,115)		19,767	21,539	30,200	46,546	50,953	83,519	(10,235)		3,543		938	
Maternity/Newborn	33,539	46,686			53,626	46,676	33,626	46,676	20				33,626	45,376	33,626	45,676	21		0		0	
ICU	21,857	32,681	10,368	14,100	24,919	30,114	67,622	77,350	44,379		8,753	11,866	5,200	8,294	22,748	31,703	(979)		2,184		29,830	
Adult Med/Surg	78,052	131,007	484	632	17,218	23,921	26,985	58,468	(74,539)		6,113	8,333	22,211	39,857	59,197	80,120	(46,875)		-7,701		-6,936	
Peds Med/Surg	7,831	12,330	7,064	9,029	6,413	25,340	13,482	34,969	22,578		0	0	3,597	13,964	3,597	13,964	1,574		6,629		11,376	
Central Processing Department	15,973	18,389	6,225	7,788	5,385	8,187	11,623	13,978	(4,407)		0	0	12,582	14,441	12,582	14,441	(3,942)		7,789		8,254	
Pharmacy	16,987	12,683	5,307	5,440	6,313	7,863	12,801	14,703	2,010		9,100	5,228	6,313	7,859	12,529	14,469	1,775		212		0	
Arthroscopy Services	10,884	14,187	8,237	10,391	8,782	7,962	16,860	20,909	6,743		6,257	10,331	3,632	4,264	13,324	16,668	2,481		0		3,698	
Dietary Services	33,544	37,136			10,481	12,435	15,114	17,425	(13,710)		1,578	1,823	12,416	14,759	20,228	23,235	(13,699)		-823		-2,324	
Cardiovascular Testing	2,525	3,913			3,051	5,042	3,051	5,342	1,428				3,351	5,342	3,051	5,342	1,429		0		0	
Dialysis	2,018	2,295			1,730	1,638	2,856	2,286	(6,166)				1,990	2,108	1,990	2,108	(137)		0		-1,949	
Respiratory Therapy	7,136	8,441	229	448									5,974	6,242	5,874	6,242	(2,199)		448		-4,404	
Admitting	3,419	3,941			2,253	2,843	2,253	2,843	(1,058)				2,253	2,843	2,253	2,843	(1,058)		0		0	
General Conference	4,621	5,370			1,170	1,477	1,170	1,477	(3,893)		4,649	5,255	0	0	4,649	5,059	(311)		-5,059		1,477	
Public Areas	114,471	116,750	568	580	25,335	25,942	49,176	50,159	(86,802)		7,370	7,522	33,890	31,531	69,780	71,173	(45,587)		-8,942		-4,586	
General Support Services	38,481	38,394	5,953	7,457	39,478	44,383	46,647	52,678	14,284		0	0	31,135	35,001	31,999	35,687	(2,827)		7,457		9,382	
Core/Shell (not included in so. 10.1)					124,137								189,935								0	
Stewwork & Utilities					17,905								17,905								0	
MEP	77,212	78,756	13,844	14,343	5,913	6,648	69,752	73,285	(5,471)		8,982	9,306	0	0	31,711	32,430	(46,267)		5,037		6,648	
Site Survey and Soil Investigation																					0	
Fixed Equipment Not in Contract																					0	
Architectural Costs and Engineering Costs																					0	
Total	581,424	745,837	97,779	136,480	262,214	368,887	530,617	700,718	(45,115)		80,152	115,286	231,381	310,437	442,392	575,029	(176,805)		23,194		65,250	

Additional Square Footage Involved in Project from 2013 78,445

Attachment/Exhibit

3



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
99 Chauncy Street, Boston, MA 02111

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

March 12, 2015

VIA EMAIL

Andrew S. Levine, Esq.
Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106

Dear Mr. Levine:

At their meeting of March 11, 2015, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c. 111, § 25C and the regulations adopted thereunder, to approve with conditions a significant change to the approved but not yet implemented Project Number 4-3C32 of Boston Medical Center, Inc. ("BMC") involving new construction and renovations at BMC's main campus at One Boston Medical Center Place in Boston.

The total approved gross square feet ("GSF") of the project, as amended, shall be 504,167 GSF, including 138,480 GSF of new construction and 365,687 GSF of renovations to existing space.

The amount of capital expenditure associated with the approval of this significant change shall be \$85,455,885 (December 2014 dollars). As amended, the total maximum capital expenditure ("MCE") of this project shall be \$250,479,809 (December 2014 dollars), itemized as follows:

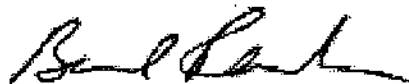
	<u>New Construction</u>	<u>Renovation</u>	<u>Total</u>
Non-Depreciable Land Development	\$ 516,800	\$ 0	\$ 516,800
Site Survey and Soil Investigation	<u>158,300</u>	<u>0</u>	<u>158,300</u>
Total Land Costs	675,100	0	675,100
Depreciable Land Development Costs	1,450,000	0	1,450,000
Construction Contract	103,585,486	104,240,078	207,825,564
Fixed Equipment not in Contract	2,640,000	2,860,000	5,500,000
Architect. & Engineering Costs	7,266,755	7,009,390	14,276,145
Pre-filing Planning and Development	293,000	293,000	586,000
Post-filing Planning and Development	0	0	0
Net Interest Expense During Constr.	<u>8,922,500</u>	<u>8,922,500</u>	<u>17,845,000</u>
Total Construction Costs	124,157,741	123,324,968	247,482,709
Costs of Securing Financing	<u>1,161,000</u>	<u>1,161,000</u>	<u>2,322,000</u>
Totals	\$125,993,841	\$124,485,968	\$250,479,809

The approved MCE of \$250,479,809 shall be funded by BMC with an equity contribution of \$125,678,000 (50.2%) and long term debt in the form of proceeds from tax exempt bonds issued by the Massachusetts Development Finance Agency.

The conditions accompanying this approval are as follows:

1. Boston Medical Center shall accept the maximum capital expenditure of \$250,479,809 (December 2014 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.
2. The approved gross square footage of the project as amended shall be 138,480 GSF of new construction and 365,387 GSF of renovations as itemized in Attachment 2
3. Boston Medical Center shall contribute \$125,678,000 in equity, or 50.2% of the amended maximum capital expenditure, to the funding of the project.
4. Boston Medical Center shall contribute an additional \$4,272,794 to the \$8,251,196 associated with the project as originally approved for a revised total contribution of \$12,523,990, an amount representing 5% of the maximum capital expenditure as amended, to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning ("OCHP"), as amended from time to time by agreement of Boston Medical Center and OCHP, which is presented as Attachment 1 and incorporated herein by reference.
5. All other conditions attached to the original approval of this project shall remain in effect.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

Attachments (2)

cc: Mary Byrnes, CHLA
Sherman Lohnes, BHCSQ
Paul DiNatale, BHCSQ
Daniel Gent, BHCSQ
Cathy O'Connor, OCHP
Kate Mills, HPC

ATTACHMENTS

Attachment 1: Community Health Initiatives

Attachment 2: Square Footage Chart

[Type text]



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

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MONICA BHAREL, MD, MPH
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To: Commissioner Bharel and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: February 3, 2015

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January 2015										September 2013										Net Change 2013 to 2015			
(1)	(2)		(3)	(4) (5) (6) (7)				(8)		(9)	(4)		(5)	(6) (7) (8) (9)				(6) (7)					
	Present Square Footage		Net	Square Footage Involved in Project				Resulting Square Footage			Square Footage Involved in Project		Resulting Square Footage										
	Net	Gross		New Construction	Renovation Area	Net	Gross	Net	Gross		New Construction	Renovation Area	Net	Gross	Net	Gross	Net				Gross		
Functional Area	24,222	37,366	1,457	1,735	31,022	38,219	64,909	103,231	65,865		42	30	13,383	24,251	26,829	43,290	9,524			1,685	31,964		
Emergency Services	25,816	40,823	6,041	9,694	9,109	12,861	16,604	24,490	(16,333)		5,351	8,587	13,060	18,467	28,399	29,375	(11,448)			1,107	-5,606		
Radiology - Diagnostic Imaging	4,611	5,938	5,369	7,950			5,366	7,950	2,811		5,219	7,732			5,219	7,732	1,783			218	0		
Radiology - Nuclear Medicine	68,366	69,755	28,546	30,482	30,800	47,484	71,467	96,640	(4,115)		19,757	21,639	30,200	40,646	60,953	63,519	(16,236)			8,943	938		
Interventional Procedure Platform	33,639	45,898			33,625	45,876	33,626	45,876	20				33,626	45,876	33,626	45,876	21			0	0		
Maternity/Newborn	21,857	32,681	10,385	14,100	24,919	30,114	57,522	77,090	44,379		8,753	11,906	5,200	6,294	22,746	31,703	(976)			2,194	23,830		
ICU	78,052	131,007	484	632	17,248	23,921	36,956	66,488	(74,539)		6,113	8,333	22,211	30,887	59,187	86,130	(46,876)			-7,701	-6,936		
Adult Med/Surg	7,631	12,390	7,064	9,629	6,418	25,340	13,482	34,969	22,579		0	0	3,537	13,964	3,537	13,964	1,574			9,629	11,378		
Pedi Med/Surg	15,973	18,363	6,228	7,789	5,395	6,187	11,633	13,978	(4,407)		0	0	12,592	14,441	12,592	14,441	(3,942)			7,789	-8,254		
Central Processing Department	10,957	12,593	5,307	5,440	6,313	7,859	12,601	14,703	2,010		5,180	5,228	6,313	7,859	12,573	14,468	1,775			212	0		
Pharmacy	10,684	14,187	8,237	19,351	6,782	7,962	18,860	20,960	6,713		8,237	10,301	3,632	4,284	13,324	16,868	2,481			0	3,698		
Ambulatory Services	33,544	37,139			10,461	12,435	15,114	17,425	(19,718)		1,579	1,623	12,416	14,759	28,229	23,238	(13,859)			-1,623	-2,324		
Dietary Services	2,825	3,913			3,051	5,342	3,051	5,342	1,425				3,051	5,342	3,051	5,342	1,425			0	0		
Cardiovascular Testing	2,010	2,249			151	160	151	160	(2,088)				1,590	2,189	1,590	2,189	(137)			0	-1,949		
Dialysis	7,138	8,441	329	448	1,730	1,838	2,058	2,286	(6,155)				5,874	6,242	5,874	6,242	(2,199)			448	-4,404		
Respiratory Therapy	5,419	5,941			2,253	2,843	2,253	2,843	(1,898)				2,253	2,843	2,253	2,843	(1,098)			0	0		
Admitting	4,621	5,370			1,170	1,477	1,170	1,477	(3,393)		4,649	5,099	0	0	4,849	5,065	(314)			-5,059	1,477		
General Conference	114,121	116,760	568	580	26,595	26,942	49,176	50,159	(65,602)		7,370	7,522	30,890	51,531	68,780	71,173	(45,587)			-6,942	-4,589		
Public Areas	38,481	38,364	5,963	7,457	35,478	44,383	48,647	52,878	14,284		0	0	31,133	35,001	31,969	35,567	(2,827)			7,457	9,382		
General Support Services				124,137								109,935								0	0		
Core/Shell (not included in sq ft total)				17,990								17,900								0	0		
Sitework & Utilities	77,212	78,756	13,844	14,343	5,913	6,648	69,752	73,285	(5,471)		8,982	9,305	0	0	31,711	32,498	(46,267)			5,037	6,648		
M&P																				0	0		
Site Survey and Soil Investigation																				0	0		
Fixed Equipment Not in Contract																				0	0		
Architectural Costs and Engineering Costs																				0	0		
Total	581,424	745,837	97,779	138,480	262,214	365,687	530,617	700,718	(45,118)		80,192	115,786	231,381	310,437	442,392	575,029	(170,808)			23,194	55,290		

Additional Square Footage Involved in Project from 201376,445

Additional Square Footage Involved in Project from 2013 78,445

Attachment/Exhibit

E

Attachment/Exhibit

1

June 6, 2016

DONOGHUE
BARRETT
& SINGAL

Via Email and Hand Delivery – Return Receipt Requested

Darrell Villaruz, Interim Program Director
Determination of Need Program
Department of Public Health
99 Chauncy Street
Boston, MA 02111

Re: Request for Immaterial Change to Boston Medical Center Determination of Need
Project #4-3C32

Dear Mr. Villaruz:

We write on behalf of Boston Medical Center (the "Applicant"). The Applicant is the holder of approved Determination of Need ("DoN") Project #4-3C32 ("Project"). The Project involved new construction and renovation at the Applicant's Menino Campus to transfer all patient services offered at the East Newton Campus. The transfers would allow for the consolidation of all of the Applicant's operations at the Menino Campus. In accordance with 105 C.M.R. 100.751(B), the Applicant requests approval for an immaterial change to the DoN relative to the approved method of financing. We offer the following comments.

Description of Approved Project

The Applicant received approval from the Department of Public Health's ("Department") DoN Program on April 14, 2014 for new construction and renovation to consolidate two hospital campuses. A copy of the approval letter is enclosed at Exhibit A. The total approved gross square feet ("GSF") was 425,723 GSF, comprised of 115,286 GSF of new construction and 310,437 GSF of renovation. The DoN approval authorized a maximum capital expenditure ("MCE") of \$165,023,924 (November 2013 dollars), to be funded with 100% equity by the Applicant.

A significant amendment to the Project was approved on March 11, 2015. Exhibit B. The amendment approved an increase to the total GSF of the Project of 504,167 GSF, including 138,480 GSF of new construction and 365,687 GSF of renovation. The approved Project MCE also increased to \$250,479,809 (December 2014 dollars). Additionally, the DoN amendment allowed for a change to the method of financing for the Project. The Applicant was authorized to fund \$125,678,000, or 50.2%, of the MCE through an equity contribution, with the remainder to be funded by proceeds of tax exempt bonds issued by the Massachusetts Development Finance Agency.

Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106
T 617.598.6700
F 617.722.0276
www.dbslawfirm.com

Darrell Villaruz, Interim Program Director
Determination of Need Program
Department of Public Health
June 6, 2016
Page 2

DONOGHUE
BARRETT
& SINGAL

The Applicant continued to review the sources of funding for the Project. As of this time, the Applicant determined it would be in its best interests to decrease the amount of the equity contribution for the MCE. The result of this would be to increase the amount of money for the MCE procured from the tax exempt financing.

Proposed Immaterial Change to Approved Project

The Applicant respectfully requests approval from the Department for an immaterial change pursuant to 105 C.M.R. 100.751(B) to change the allocations for the equity and tax exempt financing contributions that fund the Project. The Applicant determined that it would be more financially feasible to decrease the equity contribution and increase the tax exempt bond financing. As a result of this change, the Applicant will contribute \$111,178,000, or 44.4% of the MCE through an equity contribution and \$139,301,809, or 55.6% through tax exempt bonds. The Applicant is refunding Series B bonds issued in 2008 and seeks to add a new money tax exempt portion to the refinancing. Interest rates at this time are even lower than when it closed on its Series D bonds in 2015 to fund the tax exempt portion of the MCE approved in the previous amendment. The Applicant can retain equity funds designated for the Project, which is more cost effective for the Applicant. The change in the method of financing allocation will not result in a change to the approved MCE for the Project.

Conclusion

The Applicant respectfully requests approval for a change to the method of financing and allocation of funding for the approved Project MCE. Per 105 C.M.R. 100.751 and 100.754, the Applicant states the following:

1. Along with the original, two (2) copies of this request are being submitted to the DoN Program Director. A copy also is being submitted to the Division of Health Care Quality.
2. The foregoing request provides a narrative comparison of the approved Project and the proposed immaterial change.

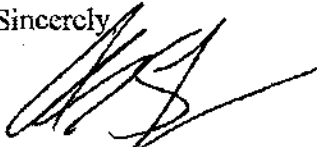
In addition, the Applicant respectfully requests a waiver of the sixty (60) day waiting period. The Applicant seeks to complete the tax exempt bond refunding by September. Approval of this request is critical to the Applicant's request as a portion of the funds will relate to the Project. Waiver of the sixty (60) day waiting period will ensure that Applicant's ability to meet the closing dates for the bond refunding.

Darrell Villaruz, Interim Program Director
Determination of Need Program
Department of Public Health
June 6, 2016
Page 3

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BARRETT
& SINGAL

We thank you for your attention to this matter. Please do not hesitate to contact Nicole Sexton, Esq. or me if you have any questions or require additional information.

Sincerely,



Andrew S. Levine

Enclosures

cc: M. Begley
S. Lohnes, Esq., Division of Health Care Quality
R. Rodman, Esq.
F. Weinstein, Esq.

Attachment/Exhibit

A



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5690
www.mass.gov/dph/don

April 14, 2014

Jane Barry
Project Director
Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118

TRANSMITTED VIA EMAIL
NOTICE OF DETERMINATION OF NEED
Project Number 4-3C32
(New Construction and Renovation to
Consolidate Two Hospital Campuses)

Dear Ms. Barry:

At their meeting of April 9, 2014, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c.111, § 25C and the regulations adopted thereunder, to approve with conditions the application filed by Boston Medical Center ("BMC" or "Applicant") for Determination of Need. The project, as approved, involves new construction and renovation of space at the BMC's Menino Campus to permit the transfer of patient services currently sited at the East Newton Campus. On project completion, all patient services at the East Newton Campus will be discontinued and all BMC's inpatient and interventional care and most of its ambulatory services will be centralized on a single campus.

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

The total approved gross square feet ("GSF") for this project is 425,723 GSF, which includes 115,286 GSF of new construction and 310,437 GSF of renovation.

The approved maximum capital expenditure ("MCE") of \$165,023,924 (November 2013 dollars) is itemized below:

	New Construction	Renovation
Land Costs:		
Site Survey & Soil Investigation	\$ 86,000	
Other Non-depreciable Land Development	<u>516,800</u>	
Total Land Costs	<u>602,800</u>	
Construction Costs:		
Depreciable Land Development Costs	1,450,000	
Construction Contract	69,392,333	\$72,351,386
Fixed Equipment Not in Contract	2,640,000	2,860,000
Architectural and Engineering Costs	5,457,109	9,684,296
Pre-filing Planning and Development Costs	<u>293,000</u>	<u>293,000</u>
Total Construction Costs	79,232,442	85,188,682
Estimated Total Capital Expenditure		\$165,023,924

The recommended MCE will be funded with 100% equity by BMC with Board-designated investments (\$87,500,000 - Plant Replacement Fund), Donor-restricted investments (\$32,000,000 - Endowment Fund) and \$46,000,000 from the sale/lease back of the Newton Pavilion.

The approved incremental operating costs of \$(14,098,000) (November 2013 dollars) for the project's first full year (FY 2018) of operation are indicated below:

Salaries, Wages, Fringe Benefits	\$(14,646,000)
Supplies and Other Expenses	(8,779,000)
Depreciation	6,127,000
Interest	<u>3,200,000</u>
Total Incremental Operating Costs	\$(14,098,000)

The reasons for this approval with conditions are as follows:

1. BMC is proposing new construction and renovation to consolidate its clinical services into one centralized campus by transferring services currently available at the East Newton Campus to the Menino Pavilion.
2. The health planning process for the project was satisfactory.
3. The proposed new construction and substantial renovation is supported by current and projected service utilization, as discussed under the Health Care Requirements factor of the Staff Summary.
4. The project, with adherence to certain conditions, meets the operational objectives of the DoN regulations.
5. The project, with adherence to a certain condition, meets the standards compliance factor of the DoN regulations.
6. The recommended maximum capital expenditure of \$165,023,924 (November 2013 dollars) is reasonable compared to Marshall & Swift construction cost estimates.
7. The recommended incremental operating cost savings of \$(14,098,000) (November 2013 dollars) is reasonable as projected cost savings expected after project completion.
8. The project is financially feasible and within the financial capability of the Hospital.
9. The project satisfies the requirements for relative merit.
10. The proposed community health service initiatives, with adherence to a certain condition, are consistent with DoN regulations.
11. BMC meets the Determination of Need Guidelines for Environmental and Human Health Impact ("Environmental Guidelines").

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

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

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

1. Boston Medical Center shall accept the maximum capital expenditure of \$165,023,924 (November 2013 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.

2. The total approved gross square feet ("GSF") for this project shall be 425,723 GSF, which will include 115,286 GSF of new construction and 310,437 GSF of renovation.

3. Boston Medical Center shall provide culturally appropriate language access services as described in the document prepared by the Office of Health Equity ("OHE"), as amended from time to time by agreement of the Applicant and OHE, which is attached and is incorporated herein by reference (Attachment 1).

4. Boston Medical Center shall contribute a total of \$8,251,196 (November 2013 dollars) to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning, as amended from time to time by agreement of the Applicant and OHC, which is attached as Attachment 2 and incorporated herein by reference.

5. Boston Medical Center agrees that this Determination of Need is conditioned upon its agreement to submit reports of emergency department patient flow metrics to the Department on a quarterly basis following the start of construction through 2018, as directed by the Department. During construction of the project, the Department may conduct one or more onsite surveys to review emergency department patient flow issues. This condition shall survive the implementation of this Determination of Need and shall be binding upon the Applicant until the end of the last reporting period as determined by the Department.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

BP/jp

cc: Sherman Lohnes, Division of Health Care Quality
Mary Byrnes, Center for Health Information and Analysis
Priscilla Portis, Division of Medical Assistance
Cathy O'Connor, Office of Community Health Planning
Samuel Louis, Office of Health Equity



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 617-624-5200
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www.mass.gov/dph

March 4, 2014

Kathleen E. Walsh
President and Chief Executive Officer
Boston Medical Center
771 Albany Street
Boston, MA 02118

Dear Ms. Walsh:

Pursuant to Boston Medical Center's Determination of Need (DoN) application for construction to consolidate services of its campuses, Samuel Louis met with Jeffery Schuster, Director of Operations, Ravin Davidoff, Chief Medical Officer, Eric J. Hardt, Medical Consult to Interpreter Services Department, Elida Acuna-Martinez, Director of Interpreter Services Department, Sandra Montrand, Clinical Compliance Manager, Stanley Hochberg, Senior Vice President of Quality, Safety and Technology/Chief Quality Officer, and Laura Harrington, Executive Director, Quality and Patient Safety.

After review and discussion of submitted documents, the Office of Health Equity has determined that that in order to meet the needs of limited English proficient patients, Boston Medical Center shall continue to enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services

- Revise its policies and procedure to include:
 - Grievances procedures with detailed internal and external contact information and languages that ensures continued quality in health care services upon the filing of a grievance
 - The use of only trained medical personnel for medical interpretation
- Ensure that the recently revised Policy and Procedures is adopted throughout the hospital and all sites operating under its license
- Provide the Office of Health Equity with written justification for providing only telephonic interpretation to their Greater Roslindale Medical and Dental Center site

- Include the Manager of Interpreter Services in all decision-making processes that have an impact on communities that are racially, ethnically, and linguistically different, including, but not limited to, quality improvement projects
- Identify and report on the different mechanisms and/or projects the hospital and sites are currently implementing, and how they will continue to use the data collected on race, ethnicity, and language to improve patient care and achieve health equity
- Expand its implementation plan of the CLAS standards to all of its sites. A proposed plan is to be developed and include specific goals and objectives, action steps, targeted staff/departments, evaluation, and outcomes
- Continue to enhance its data collection mechanism to comprehensively monitor, assess, and capture all activities related to the IS, particularly data collection on race, language, and ethnicity, including all of its sites. Accuracy in data collection is vital for analysis, planning, and reporting
- Provide oversight and full support to all of its sites
- Post signage at all points of contact informing patients of the availability of interpreter services at no charge at all its sites
- Provide ongoing training for all hospital and sites staff, new hires, and volunteers on the appropriate use of Interpreter Service Department and emerging issues
- Conduct tailored outreach to all of its identified service areas to ensure that their LEP communities have firsthand information about the hospital and the availability of interpreter services. This plan shall include periodic coordination with community groups to gather information about new and emerging LEP populations in the service areas and the identification of a systemic support necessary to conduct outreach to non-English speaking communities throughout all satellite clinic service areas, if any

An overall implementation plan is to be submitted within 30 days of DoN approval to:

Samuel Louis, M.P.H.
 Massachusetts Department of Public Health
 Office of Health Equity
 250 Washington Street, 5th Floor
 Boston, MA 02108

The overall plan shall include anticipated goals, action steps, anticipated outcomes, evaluation, and periodic submission of progress reports.

The Office of Health Equity recognizes Boston Medical Center's unique relationship with several independent community health centers (CHCs) that operate on its acute hospital license. Boston Medical Center has committed to continuing to work with the CHCs to support and strengthen

their interpreter services programs, consistent with the elements outlined in this letter, and the Office of Health Equity acknowledges that the implementation plans may differ in operational model and resource intensity for the hospital as compared to the community health centers.

If you wish to discuss any of the conditions, or other areas covered at the visit, please contact me at (617) 624-5905 or at samuel.louis@state.ma.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Louis', with a large, stylized flourish extending from the end of the signature.

Samuel Louis, M.P.H.
Health Care Interpreter Services Coordinator

Enclosure

Cc:

Georgia Simpson May, Director, Office of Health Equity
Elida Acuna-Martinez, Director of Interpreter Services Department
Laura Harrington, Executive Director, Quality and Patient Safety



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT RN
COMMISSIONER

Tel: 617-624-5200
Fax: 617-624-5206
www.mass.gov/dph

To: Commissioner Bartlett and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: April 9, 2014 (issued April 1, 2014)

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center,
Project Number 4-3C32, Renovations, new construction and consolidation. MCE, \$165,023,924,
CHI, \$8,251,196

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the approved MCE of \$165,023,924 which is \$8,251,196, to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center's (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts residents do not have health coverage, 9.2% of BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing

community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.
2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000) in partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC). BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$4,251,196 of existing programming to be funded over 5-7 years. This funding would begin within forty five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$4 million would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to be in 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 CMR 100.551(J), the applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington St., Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Attachment/Exhibit

B



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
99 Chauncy Street, Boston, MA 02111

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA SHAREL, MD, MPH
Commissioner

March 12, 2015

VIA EMAIL

Andrew S. Levine, Esq.
Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106

Dear Mr. Levine:

At their meeting of March 11, 2015, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c. 111, § 25C and the regulations adopted thereunder, to approve with conditions a significant change to the approved but not yet implemented Project Number 4-3C32 of Boston Medical Center, Inc. ("BMC") involving new construction and renovations at BMC's main campus at One Boston Medical Center Place in Boston.

The total approved gross square feet ("GSF") of the project, as amended, shall be 504,167 GSF, including 138,480 GSF of new construction and 365,687 GSF of renovations to existing space.

The amount of capital expenditure associated with the approval of this significant change shall be \$85,455,885 (December 2014 dollars). As amended, the total maximum capital expenditure ("MCE") of this project shall be \$250,479,809 (December 2014 dollars), itemized as follows:

	<u>New Construction</u>	<u>Renovation</u>	<u>Total</u>
Non-Depreciable Land Development	\$ 516,800	\$ 0	\$ 516,800
Site Survey and Soil Investigation	<u>158,300</u>	<u>0</u>	<u>158,300</u>
Total Land Costs	675,100	0	675,100
Depreciable Land Development Costs	1,450,000	0	1,450,000
Construction Contract	103,585,486	104,240,078	207,825,564
Fixed Equipment not in Contract	2,640,000	2,860,000	5,500,000
Architect. & Engineering Costs	7,266,755	7,009,390	14,276,145
Pre-filing Planning and Development	293,000	293,000	586,000
Post-filing Planning and Development	0	0	0
Net Interest Expense During Constr.	<u>8,922,500</u>	<u>8,922,500</u>	<u>17,845,000</u>
Total Construction Costs	124,157,741	123,324,968	247,482,709
Costs of Securing Financing	<u>1,161,000</u>	<u>1,161,000</u>	<u>2,322,000</u>
Totals	\$125,993,841	\$124,485,968	\$250,479,809

The approved MCE of \$250,479,809 shall be funded by BMC with an equity contribution of \$125,678,000 (50.2%) and long term debt in the form of proceeds from tax exempt bonds issued by the Massachusetts Development Finance Agency.

The conditions accompanying this approval are as follows:

1. Boston Medical Center shall accept the maximum capital expenditure of \$250,479,809 (December 2014 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.
2. The approved gross square footage of the project as amended shall be 138,480 GSF of new construction and 365,387 GSF of renovations as itemized in Attachment 2
3. Boston Medical Center shall contribute \$125,678,000 in equity, or 50.2% of the amended maximum capital expenditure, to the funding of the project.
4. Boston Medical Center shall contribute an additional \$4,272,794 to the \$8,251,196 associated with the project as originally approved for a revised total contribution of \$12,523,990, an amount representing 5% of the maximum capital expenditure as amended, to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning ("OCHP"), as amended from time to time by agreement of Boston Medical Center and OCHP, which is presented as Attachment 1 and incorporated herein by reference.
5. All other conditions attached to the original approval of this project shall remain in effect.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

Attachments (2)

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

ATTACHMENTS

Attachment 1: Community Health Initiatives

Attachment 2: Square Footage Chart

[Type text]



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

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

Tel: 617-624-6800
www.mass.gov/dph

To: Commissioner Bharel and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: February 3, 2015

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center, Project 3B32.1, Significant Change to MCE and Scope. MCE increase \$85,455,885; Additional CHI: \$4,272,794

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the amended approved MCE, which increased from \$165,023,924 to \$250,479,809, for an increase from \$8,251,196 to \$12,523,990 to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts resident do not have health coverage 9.2% if BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.

2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000). In partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC), BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$6,452,360, including \$4,251,196 of existing funding and \$2,201,164 in additional funding through the DoN amendment, of existing programming to be funded over 5-7 years. This funding would begin within forty-five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$6,071,630, including \$4,000,000 of existing funding and \$2,071,630 in additional funding through the DoN amendment, would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to the 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 C.M.R. 100.551(J), the Applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington Street, Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Schedule 5.1 Square Footage Comparison

January 2015									
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
Functional Area	Present Square Footage		Square Footage Involved in Project				Resulting Square Footage		
	Net	Gross	New Construction		Renovation Area		Net	Gross	
Emergency Services	24,222	37,366	1,467	1,735	31,022	50,215	64,609	103,231	65,856
Radiology - Diagnostic Imaging	26,815	40,823	6,041	9,694	9,109	12,961	16,694	24,890	(16,333)
Radiology - Nuclear Medicine	4,511	5,539	5,369	7,950			5,366	7,950	2,011
Interventional Procedures Platform	66,306	89,755	26,545	30,482	30,809	47,494	71,407	95,540	(4,115)
Maternity/Newborn	33,839	45,696			33,626	45,670	33,628	45,676	26
ICU	21,857	32,681	10,366	14,100	24,919	30,114	57,522	77,060	44,378
Adult Med/Surg	78,052	131,007	484	632	17,218	23,921	36,956	55,468	(74,835)
Ped Med/Surg	7,831	12,380	7,094	9,626	8,418	25,340	13,482	34,968	22,575
Central Processing Department	15,973	18,383	6,228	7,789	5,385	6,187	11,523	13,978	(4,467)
Pharmacy	10,967	12,663	5,507	5,440	6,313	7,859	12,801	14,703	2,016
Ambulatory Services	10,984	14,187	8,237	10,301	6,792	7,862	16,860	20,600	8,713
Dietary Services	33,544	37,135			10,461	12,435	15,114	17,426	(19,710)
Cardiovascular Testing	2,625	3,913			3,051	5,342	3,051	5,342	1,429
Dialysis	2,018	2,249			151	189	151	189	(2,069)
Respiratory Therapy	7,136	8,441	329	448	1,730	1,838	2,058	2,286	(8,155)
Admitting	3,419	3,941			2,258	2,843	2,253	2,843	(1,098)
General Conference	4,621	6,370			1,170	1,477	1,170	1,477	(3,893)
Public Areas	114,471	118,760	568	580	26,395	26,942	49,176	60,159	(66,802)
General Support Services	36,461	36,394	5,963	7,467	38,478	44,383	45,647	52,678	14,284
Cone/Shell (not included in sq ft total)				124,137					
Site Survey and Utilities				17,608					
MEP	77,212	79,766	13,844	14,343	6,913	8,648	69,792	73,285	(5,471)
Site Survey and Soil Investigation									
Fixed Equipment Not in Contract									
Architectural Costs and Engineering Costs									
Total	581,424	745,837	97,779	136,480	262,214	305,697	530,617	706,718	(45,115)

September 2013									
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
Functional Area	Present Square Footage		Square Footage Involved in Project				Resulting Square Footage		
	Net	Gross	New Construction		Renovation Area		Net	Gross	
Emergency Services	42	50	15,563	24,251	26,828	41,290	5,824		
Radiology - Diagnostic Imaging	5,551	8,567	13,030	18,467	20,309	28,375	(11,445)		
Radiology - Nuclear Medicine	5,219	7,732			5,219	7,732	1,793		
Interventional Procedures Platform	18,757	21,559	30,200	46,548	60,863	81,519	(18,216)		
Maternity/Newborn			33,626	45,675	33,626	45,676	21		
ICU	8,753	11,906	5,200	6,284	22,748	31,793	(978)		
Adult Med/Surg	6,113	8,833	22,211	30,857	55,197	90,130	(40,875)		
Ped Med/Surg	0	0	3,537	13,984	3,537	13,964	1,574		
Central Processing Department	0	0	12,592	14,441	12,592	14,441	(3,942)		
Pharmacy	5,190	5,228	6,313	7,859	12,573	14,469	1,776		
Ambulatory Services	8,237	10,301	3,632	4,264	13,324	18,668	2,484		
Dietary Services	1,579	1,823	12,419	14,759	26,226	23,238	(13,699)		
Cardiovascular Testing			3,061	5,342	3,061	5,242	1,429		
Dialysis			1,890	2,109	1,890	2,109	(1,127)		
Respiratory Therapy			5,874	8,242	5,874	6,242	(2,199)		
Admitting			2,253	2,843	2,253	2,843	(1,098)		
General Conference	4,549	5,059	0	0	4,549	5,059	(311)		
Public Areas	7,370	7,522	30,590	31,531	69,780	71,173	(45,381)		
General Support Services	0	0	31,133	35,001	31,959	35,667	(2,827)		
Cone/Shell (not included in sq ft total)			189,095						
Site Survey & Utilities			17,900						
MEP	8,982	9,905	0	0	31,711	32,496	(46,267)		
Site Survey and Soil Investigation									
Fixed Equipment Not in Contract									
Architectural Costs and Engineering Costs									
Total	80,162	115,286	231,391	310,437	442,392	575,629	(170,688)		

Net Change 2013 to 2015		Square Footage Involved in Project	
(6)	(7)	(8)	(9)
		New Construction	Renovation Area
		1,065	31,954
		1,107	-5,606
		216	0
		8,943	538
		0	0
		2,154	23,830
		-7,701	-6,935
		5,529	11,375
		7,789	-8,254
		212	0
		0	3,893
		-1,929	-2,324
		0	0
		0	-1,949
		448	-4,404
		0	0
		-5,059	1,477
		-6,942	-4,588
		7,457	9,382
		0	0
		0	0
		0	0
		23,794	55,250

Additional Square Footage Involved in Project from 2013 78,465

Attachment/Exhibit

2



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Bureau of Health Care Safety and Quality
Determination of Need (DoN) Program
99 Chauncy Street, Boston, MA 02111

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

July 14, 2016

VIA EMAIL

Andrew S. Levine
Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106
ALevine@dbslawfirm.com

RE: Boston Medical Center
Request for Immaterial Change
DoN Project Number 4-3C32.1

Dear Mr. Levine,

This letter is in response to your request of June 6, 2016, for an immaterial change to reflect the changes in the proposed method of financing which do not result in any increase in the maximum capital expenditure or operating costs to the approved Determination of Need ("DoN") project referenced above. The project was originally approved on April 14, 2014, with a maximum capital expenditure ("MCE") of \$165,023,924 (November 2013 dollars).

A significant amendment to the Project was requested and approved by the Department on March 11, 2015. In this filing, the Applicant sought to increase the total gross square feet ("GSF") to be 504,167 GSF, total MCE of \$250,479,809 (December 2014 dollars), and allowed for a change to the method of financing. The amendment allowed the Applicant to fund \$125,678,000 (December 2014 dollars) or 50.2% of the MCE through equity contribution and the remainder to be funded by tax exempt bonds issued by the Massachusetts Development Finance Agency.

Pursuant to 105 CMR 100.751(B), approval is hereby granted to your request for an immaterial change to Project Number 4-3C32 based upon the following:

1. The request has been filed pursuant to 105 CMR 100.754 of the Determination of Need regulation.
2. The request asks for the Applicant to contribute \$111,178,000 or 44% of the MCE through an equity contribution. The difference of \$139,301,809 or 55.6% will be financed through tax exempted bonds.
3. There will be no increase in GSF or MCE as a result of this immaterial change.

Boston Medical Center
Request for Immaterial Change

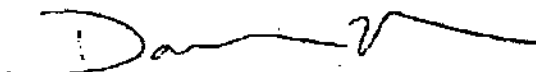
Project #4-3C32.1

The conditions accompanying this approval are as follows:

1. All other conditions attached to the original project shall remain in effect.

Lastly, I hereby, per 105 CMR 100.754, approve your request to waive the sixty day waiting period and this immaterial change shall take effect immediately upon receipt of this letter.

Sincerely,



Darrell Villaruz
Interim Manager
Determination of Need Program

cc: Michael Sinacola, Bureau of Health Care Safety and Quality
Rebecca Rodman, Office of General Counsel
Sherman Lohnes, Division of Health Care Facility Licensure and Certification
Mary Byrnes, Center for Health Information and Analysis
Stephen Thomas, MassHealth
Erica Koscher, Health Policy Commission
Daniel Gent, Division of Health Care Facility Licensure and Certification

Attachment/Exhibit

F

Attachment/Exhibit

1

January 26, 2017.

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Via Email and Hand Delivery – Return Receipt Requested

Nora Mann, Esq., Program Director
Department of Public Health
Determination of Need Program
250 Washington Street
Boston, MA 02108

Re: Request for Approval of a Minor Amendment to Determination of Need Project
#4-3C32, Boston Medical Center

Dear Attorney Mann:

We write on behalf of Boston Medical Center (the “Applicant” or “Medical Center”), the holder of approved Determination of Need (“DoN”) Project #4-3C32 (“Project”). The DoN approval authorized new construction and renovation at the Applicant’s Menino Campus, located at 840 Harrison Avenue in Boston, to permit the transfer of inpatient, interventional care, and ambulatory services currently sited at the Applicant’s East Newton Campus, and to consolidate patient services on a single campus. In accordance with the requirements of 105 C.M.R. §100.752 and 105 C.M.R. §100.755, the Applicant hereby submits this request for a minor amendment to its DoN authorization. We offer the following comments in support of this request.

Background

On April 14, 2014, the Applicant received approval for the Project from the DoN Program. Exhibit A. Specifically, the approval authorized new construction and renovation of space at the Applicant’s Menino Campus to permit the transfer of patient services currently sited at the Applicant’s East Newton Campus. The construction and renovation allows the Applicant to discontinue all patient services at its East Newton Campus and centralize all inpatient and interventional care and most ambulatory services on a single campus. The total approved gross square feet (“GSF”) is 425,723 GSF, which includes of 115,286 GSF of new construction and 310,437 GSF of renovation. The approved maximum capital expenditure (“MCE”) associated with the Project is \$165,023,924 in November 2013 dollars.

On March 12, 2015, the Applicant received approval for a significant amendment to the Project. Exhibit B. The amendment provided for a change in the method of financing as the Project will be financed in part through tax exempt bonds rather than solely equity. In addition, the Project was amended to reflect certain changes in scope and building design. As a result of these

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changes the DoN approval was amended to allow for an increase in the MCE to \$250,479,809 (December 2014 dollars) and to amend the GSF to provide for 138,480 GSF of new construction and 365,387 GSF of renovation. On July 16, 2016, the Applicant received approval for an immaterial change to reflect a further change to the proposed method of financing to allow for a change in the balance of bond and equity financing. Exhibit C.

Review of Requested Changes to Approval

At this time, the Applicant requests approval to amend the scope of the Project along with accompanying changes to the MCE and total GSF of the Project. These changes result from a change in circumstances that has occurred since the DoN approval was issued. Specifically, patient demand has increased significantly from what was projected for the Medical Center following the implementation of the DoN Project. When the Medical Center originally planned its campus consolidation in 2013, it had experienced decreases in average daily census for several years preceding its DoN application and relied on that trend to project that it could consolidate and operate with 237 medical/surgical beds. Since that time, the Medical Center has experienced an unanticipated increase in its adult medical/surgical patient case mix with a higher acuity of illness, resulting in an increased length of stay. As a result, the Medical Center's average daily census has been trending higher than originally projected for the DoN Project. This change is demonstrated on the following chart.

Chart 1: The demand for inpatient adult med/surg beds each day has increased since our initial planning for bed capacity in 2012

Adult Med/Surg ADC** (beds)	300							
	250	276	251	230	237	250	253	262
	200							
		2010	2011	2012	2013	2014	2015	2016

** Includes patients in the Observation unit
 SOURCE: BMC Finance

Based on 2012 actual utilization, the Medical Center projected in its DoN application that it operate with an average occupancy of 87% post-consolidation. However, since the DoN was

approved, the average daily census has continued to trend upward from its initial decline that concluded in 2012. As a result, if the Medical Center consolidates as originally approved, it will operate at an average occupancy of 96%. Such high occupancy will result in increased patient wait times and boarding hours in the emergency department when the consolidation is complete.

To address this shift in demand, the Applicant has implemented operational measures to improve its length of stay both in inpatient units and in the emergency department. Despite these improvements, the Medical Center continues to project high utilization. To mitigate this, the Applicant seeks to make the following changes to the final licensed bed counts following the campus consolidation.

	Licensed	DoN Approval	Amendment	Change from License	Change from DoN Approval	Total Beds with Amendment
Medical/Surgical	332	232	265	-67	33	265
Obstetric	39	30	n/a	-9	n/a	30
Pediatric	30	24	22	-8	-2	22
NICU	15	15	n/a	0	n/a	15
ICU/CCU/SICU	74	60	63	-11	3	63
PICU	6	6	4	-2	-2	4
Total	496	367	354	-97	32	399

The requested increase in bed capacity from the consolidation plan approved in the DoN will allow the Medical Center to maintain a sustainable average daily census and mitigate impact to emergency department throughput.

2. Changes in Approved GSF

To accommodate the proposed beds, the Medical Center will renovate 39,980 GSF of existing inpatient and outpatient space in the Yawkey and Menino Buildings. The original design of the DoN Project contemplated the renovation of the Menino 4th Floor to hold a combined pediatric medical/surgical and ICU unit, as well as an adult medical/surgical unit. With approval of this request, the plan for this floor instead will be to house medical/surgical beds. In addition, all Woman, Infant and Children's inpatient and outpatient services will be consolidated at one location in the Yawkey building and will include the shared inpatient pediatric medical/surgical

Nora Mann, Esq., Program Director
Department of Public Health
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and ICU beds, as well as outpatient ante-natal testing, OB/GYN ambulatory services and family planning services. The original design for the Menino 5th Floor has been revised to provide for the additional 3 ICU beds requested, while reducing the proposed number of medical/surgical beds for this floor. Finally, the specialty inpatient medical/surgical heart station unit and dialysis unit will be relocated to the Menino basement, with the dialysis unit serving both inpatient and outpatients. This proposed redistribution of space will allow for the Medical Center to accommodate the additional capacity needed to meet projected demand.

In order to accommodate these design changes, the GSF associated with the approved Project requires modification. The most recent DoN amendment for the Project approved 138,480 GSF of new construction and 365,687 GSF of renovation, for a total of 504,167 GSF. With this new amendment request, the Applicant seeks approval for an increase in the GSF of renovation to 405,667 GSF. This is an increase of 39,980 GSF, representing a 10.9% increase in renovation related GSF. The Medical Center does not request any change to the Project's new construction GSF. Accordingly, the total GSF for the Project as amended will be 544,147 GSF, or an increase of 7.9% total GSF. A revised Factor 5.1 schedule detailing the changes in GSF is provided at Exhibit D.

3. Changes in Approved MCE

In addition, the Applicant also seeks to increase the approved Project MCE to allow for the change in scope of the Project as described above. The Project was amended in 2015 to allow for an MCE of \$250,479,809 (December 2014 dollars). The Applicant now requests to increase the MCE to \$269,922,908 (January 2017 dollars). This is an increase of \$19,443,099, or 7.8%, from amended MCE, without accounting for the ability to increase the MCE based on inflation. The following chart details the costs for the increased MCE.

Category of Expenditure	Approved New Construction (12/14 Dollars)	Approved Renovation (12/14 Dollars)	Requested New Construction (1/17 Dollars)	Requested Renovation (1/17 Dollars)
Land Costs				
Land Acquisition	\$0	\$0	\$0	\$0
Non-Depreciable Land Dev.	\$516,800	\$0	\$516,800	\$0
Site Survey and Soil Invest.	\$158,300	\$0	\$158,300	\$0
Total Land Costs	\$675,100	\$0	\$675,100	\$0
Construction Costs				
Building Acquisition Costs	\$0	\$0	\$0	\$0
Depreciable Land Dev. Costs	\$1,450,000	\$0	\$1,450,000	\$0
Construction Contract	\$103,585,486	\$104,240,078	\$103,585,486	\$123,192,520
Fixed Equipment Not in Contract	\$2,640,000	\$2,860,000	\$2,640,000	\$2,860,000
Architect. & Engineering Costs	\$7,266,755	\$7,009,390	\$7,266,755	\$7,500,047
Pre-filing Planning and Dev.	\$293,000	\$293,000	\$293,000	\$293,000
Post-filing Planning and Dev.	\$0	\$0	\$0	\$0
Net Int Exp During Const	\$8,922,500	\$8,922,500	\$8,922,500	\$8,922,500
Total Construction Costs	\$124,157,741	\$123,324,968	\$124,157,741	\$142,768,067
Financing Costs				
Costs of Securing Financing	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000
Total Financing Costs	\$1,161,000	\$1,161,000	\$1,161,000	\$1,161,000
Total Capital Expenditure	\$125,993,841	\$124,485,968	\$125,993,841	\$143,929,067
Total MCE	\$250,479,809		\$269,922,908	

Request for Minor Change

Pursuant to the provisions of 105 C.M.R. §100.755(A), the Applicant respectfully requests approval for the above-described minor changes to the approved DoN authorization. The Department's approval of this amendment will enable the Applicant to modify the Project to ensure that the Medical Center can meet patient demand in a manner that does not adversely

Nora Mann, Esq., Program Director
Department of Public Health
Determination of Need Program
January 26, 2017
Page 6

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impact patient access to inpatient services following consolidation of the Medical Center campuses. In accordance with the provisions of 105 C.M.R. §100.752, the Applicant hereby states the following:

1. This original request and two (2) copies are being submitted to the DoN Program.
2. Pursuant to 105 C.M.R. §100.755, this request provides a detailed description and comparison of the approved project and the proposed change, a description of cost implications, and the rationale for the proposed change.
3. Attached at Exhibit E is an Affidavit of Truthfulness and Proper Submission in conformance with 105 C.M.R. §100.324, certifying to the truthfulness of the facts set forth in this request and that the requisite number of copies of the request have been sent to the DoN Program.

In furtherance of the requirements set forth at 105 C.M.R. §§100.533(B)(9) and 100.551(J), the Applicant will contribute five percent (5%) of the requested \$19,423,099 increase in the MCE, or \$972,155 to support primary and preventative health care services and related community benefits in the same manner as such funds were approved to be distributed under the original DoN approval.

The Department's approval of this request will conform with its mandate to guarantee access to health care services at affordable costs. This request for a minor amendment meets the requirements set forth at 105 C.M.R. §§100.752 and 100.755 of the DoN Program regulations. The Applicant respectfully requests the Department's approval of this request for a minor change to its existing DoN authorization.

Nora Mann, Esq., Program Director
Department of Public Health
Determination of Need Program
January 26, 2017
Page 7

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We thank you for your attention to this request. Please do not hesitate to contact Crystal Bloom, Esq. or me if you have any questions or require additional information.

Sincerely,



Andrew S. Levine

Enclosures (original and 2 copies)

cc: R. Rodman, Esq.
M. Begley
B. Biggio
G. Topping
E. Weinstein, Esq.
B. Whalen

Attachment/Exhibit

A



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

Tel: 817-624-5690
www.mass.gov/dph/don

April 14, 2014

Jane Barry
Project Director
Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118

TRANSMITTED VIA EMAIL
NOTICE OF DETERMINATION OF NEED
Project Number 4-3C32
(New Construction and Renovation to
Consolidate Two Hospital Campuses)

Dear Ms. Barry:

At their meeting of April 9, 2014, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c.111, § 25C and the regulations adopted thereunder, to approve with conditions the application filed by Boston Medical Center ("BMC" or "Applicant") for Determination of Need. The project, as approved, involves new construction and renovation of space at the BMC's Menino Campus to permit the transfer of patient services currently sited at the East Newton Campus. On project completion, all patient services at the East Newton Campus will be discontinued and all BMC's inpatient and interventional care and most of its ambulatory services will be centralized on a single campus.

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

The total approved gross square feet ("GSF") for this project is 425,723 GSF, which includes 115,286 GSF of new construction and 310,437 GSF of renovation.

The approved maximum capital expenditure ("MCE") of \$165,023,924 (November 2013 dollars) is itemized below:

	New Construction	Renovation
Land Costs:		
Site Survey & Soil Investigation	\$ 86,000	
Other Non-depreciable Land Development	<u>516,800</u>	
Total Land Costs	<u>602,800</u>	
Construction Costs:		
Depreciable Land Development Costs	1,450,000	
Construction Contract	69,392,333	\$72,351,386
Fixed Equipment Not in Contract	2,640,000	2,860,000
Architectural and Engineering Costs	5,457,109	9,684,296
Pre-filing Planning and Development Costs	<u>293,000</u>	<u>293,000</u>
Total Construction Costs	79,232,442	85,188,682
Estimated Total Capital Expenditure		\$165,023,924

The recommended MCE will be funded with 100% equity by BMC with Board-designated investments (\$87,500,000 - Plant Replacement Fund), Donor-restricted investments (\$32,000,000 - Endowment Fund) and \$46,000,000 from the sale/lease back of the Newton Pavilion.

The approved incremental operating costs of \$(14,098,000) (November 2013 dollars) for the project's first full year (FY 2018) of operation are indicated below:

Salaries, Wages, Fringe Benefits	\$(14,646,000)
Supplies and Other Expenses	(8,779,000)
Depreciation	6,127,000
Interest	<u>3,200,000</u>
Total Incremental Operating Costs	\$(14,098,000)

The reasons for this approval with conditions are as follows:

1. BMC is proposing new construction and renovation to consolidate its clinical services into one centralized campus by transferring services currently available at the East Newton Campus to the Menino Pavilion.
2. The health planning process for the project was satisfactory.
3. The proposed new construction and substantial renovation is supported by current and projected service utilization, as discussed under the Health Care Requirements factor of the Staff Summary.
4. The project, with adherence to certain conditions, meets the operational objectives of the DoN regulations.
5. The project, with adherence to a certain condition, meets the standards compliance factor of the DoN regulations.
6. The recommended maximum capital expenditure of \$165,023,924 (November 2013 dollars) is reasonable compared to Marshall & Swift construction cost estimates.
7. The recommended incremental operating cost savings of \$(14,098,000) (November 2013 dollars) is reasonable as projected cost savings expected after project completion.
8. The project is financially feasible and within the financial capability of the Hospital.
9. The project satisfies the requirements for relative merit.
10. The proposed community health service initiatives, with adherence to a certain condition, are consistent with DoN regulations.
11. BMC meets the Determination of Need Guidelines for Environmental and Human Health Impact ("Environmental Guidelines").

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

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

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

1. Boston Medical Center shall accept the maximum capital expenditure of \$165,023,924 (November 2013 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.

2. The total approved gross square feet ("GSF") for this project shall be 425,723 GSF, which will include 115,286 GSF of new construction and 310,437 GSF of renovation.

3. Boston Medical Center shall provide culturally appropriate language access services as described in the document prepared by the Office of Health Equity ("OHE"), as amended from time to time by agreement of the Applicant and OHE, which is attached and is incorporated herein by reference (Attachment 1).

4. Boston Medical Center shall contribute a total of \$8,251,196 (November 2013 dollars) to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning, as amended from time to time by agreement of the Applicant and OHC, which is attached as Attachment 2 and incorporated herein by reference.

5. Boston Medical Center agrees that this Determination of Need is conditioned upon its agreement to submit reports of emergency department patient flow metrics to the Department on a quarterly basis following the start of construction through 2018, as directed by the Department. During construction of the project, the Department may conduct one or more onsite surveys to review emergency department patient flow issues. This condition shall survive the implementation of this Determination of Need and shall be binding upon the Applicant until the end of the last reporting period as determined by the Department.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

BP/jp

cc: Sherman Lohnes, Division of Health Care Quality
Mary Byrnes, Center for Health Information and Analysis
Priscilla Portis, Division of Medical Assistance
Cathy O'Connor, Office of Community Health Planning
Samuel Louis, Office of Health Equity



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

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SECRETARY

CHERYL BARTLETT, RN
COMMISSIONER

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March 4, 2014

Kathleen E. Walsh
President and Chief Executive Officer
Boston Medical Center
771 Albany Street
Boston, MA 02118

Dear Ms. Walsh:

Pursuant to Boston Medical Center's Determination of Need (DoN) application for construction to consolidate services of its campuses, Samuel Louis met with Jeffery Schuster, Director of Operations, Ravin Davidoff, Chief Medical Officer, Eric J. Hardt, Medical Consult to Interpreter Services Department, Elida Acuna-Martinez, Director of Interpreter Services Department, Sandra Montrand, Clinical Compliance Manager, Stanley Hochberg, Senior Vice President of Quality, Safety and Technology/Chief Quality Officer, and Laura Harrington, Executive Director, Quality and Patient Safety.

After review and discussion of submitted documents, the Office of Health Equity has determined that that in order to meet the needs of limited English proficient patients, Boston Medical Center shall continue to enhance its capacity to ensure the availability of timely and competent interpreter services and have in place the following elements of a professional medical interpreter services

- Revise its policies and procedure to include:
 - Grievances procedures with detailed internal and external contact information and languages that ensures continued quality in health care services upon the filing of a grievance
 - The use of only trained medical personnel for medical interpretation
- Ensure that the recently revised Policy and Procedures is adopted throughout the hospital and all sites operating under its license
- Provide the Office of Health Equity with written justification for providing only telephonic interpretation to their Greater Roslindale Medical and Dental Center site

- Include the Manager of Interpreter Services in all decision-making processes that have an impact on communities that are racially, ethnically, and linguistically different, including, but not limited to, quality improvement projects
- Identify and report on the different mechanisms and/or projects the hospital and sites are currently implementing, and how they will continue to use the data collected on race, ethnicity, and language to improve patient care and achieve health equity
- Expand its implementation plan of the CLAS standards to all of its sites. A proposed plan is to be developed and include specific goals and objectives, action steps, targeted staff/departments, evaluation, and outcomes
- Continue to enhance its data collection mechanism to comprehensively monitor, assess, and capture all activities related to the IS, particularly data collection on race, language, and ethnicity, including all of its sites. Accuracy in data collection is vital for analysis, planning, and reporting
- Provide oversight and full support to all of its sites
- Post signage at all points of contact informing patients of the availability of interpreter services at no charge at all its sites
- Provide ongoing training for all hospital and sites staff, new hires, and volunteers on the appropriate use of Interpreter Service Department and emerging issues
- Conduct tailored outreach to all of its identified service areas to ensure that their LEP communities have firsthand information about the hospital and the availability of interpreter services. This plan shall include periodic coordination with community groups to gather information about new and emerging LEP populations in the service areas and the identification of a systemic support necessary to conduct outreach to non-English speaking communities throughout all satellite clinic service areas, if any

An overall implementation plan is to be submitted within 30 days of DoN approval to:

Samuel Louis, M.P.H.
 Massachusetts Department of Public Health
 Office of Health Equity
 250 Washington Street, 5th Floor
 Boston, MA 02108

The overall plan shall include anticipated goals, action steps, anticipated outcomes, evaluation, and periodic submission of progress reports.

The Office of Health Equity recognizes Boston Medical Center's unique relationship with several independent community health centers (CHCs) that operate on its acute hospital license. Boston Medical Center has committed to continuing to work with the CHCs to support and strengthen

their interpreter services programs, consistent with the elements outlined in this letter, and the Office of Health Equity acknowledges that the implementation plans may differ in operational model and resource intensity for the hospital as compared to the community health centers.

If you wish to discuss any of the conditions, or other areas covered at the visit, please contact me at (617) 624-5905 or at samuel.louis@state.ma.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Samuel Louis', with a large, stylized flourish extending from the end of the signature.

Samuel Louis, M.P.H.
Health Care Interpreter Services Coordinator

Enclosure

Cc:

Georgia Simpson May, Director, Office of Health Equity
Elida Acuna-Martinez, Director of Interpreter Services Department
Laura Harrington, Executive Director, Quality and Patient Safety



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

DEVAL L. PATRICK
GOVERNOR

JOHN W. POLANOWICZ
SECRETARY

CHERYL BARTLETT RN
COMMISSIONER

Tel: 617-624-5200
Fax: 617-624-5208
www.mass.gov/dph

To: Commissioner Bartlett and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: April 9, 2014 (issued April 1, 2014)

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center,
Project Number 4-3C32, Renovations, new construction and consolidation. MCE, \$165,023,924,
CHI, \$8,251,196

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the approved MCE of \$165,023,924 which is \$8,251,196, to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center's (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts residents do not have health coverage, 9.2% of BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing

community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.
2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000). In partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC), BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$4,251,196 of existing programming to be funded over 5-7 years. This funding would begin within forty five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$4 million would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to be in 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 CMR 100.551(J), the applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington St., Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Attachment/Exhibit

B



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
99 Chauncy Street, Boston, MA 02111

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

March 12, 2015

VIA EMAIL

Andrew S. Levine, Esq.
Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106

Dear Mr. Levine:

At their meeting of March 11, 2015, the Commissioner and the Public Health Council, acting together as the Department, voted pursuant to M.G.L. c. 111, § 25C and the regulations adopted thereunder, to approve with conditions a significant change to the approved but not yet implemented Project Number 4-3C32 of Boston Medical Center, Inc. ("BMC") involving new construction and renovations at BMC's main campus at One Boston Medical Center Place in Boston.

The total approved gross square feet ("GSF") of the project, as amended, shall be 504,167 GSF, including 138,480 GSF of new construction and 365,687 GSF of renovations to existing space.

The amount of capital expenditure associated with the approval of this significant change shall be \$85,455,885 (December 2014 dollars). As amended, the total maximum capital expenditure ("MCE") of this project shall be \$250,479,809 (December 2014 dollars), itemized as follows:

	<u>New Construction</u>	<u>Renovation</u>	<u>Total</u>
Non-Depreciable Land Development	\$ 516,800	\$ 0	\$ 516,800
Site Survey and Soil Investigation	<u>158,300</u>	<u>0</u>	<u>158,300</u>
Total Land Costs	675,100	0	675,100
Depreciable Land Development Costs	1,450,000	0	1,450,000
Construction Contract	103,585,486	104,240,078	207,825,564
Fixed Equipment not in Contract	2,640,000	2,860,000	5,500,000
Architect. & Engineering Costs	7,266,755	7,009,390	14,276,145
Pre-filing Planning and Development	293,000	293,000	586,000
Post-filing Planning and Development	0	0	0
Net Interest Expense During Constr.	<u>8,922,500</u>	<u>8,922,500</u>	<u>17,845,000</u>
Total Construction Costs	124,157,741	123,324,968	247,482,709
Costs of Securing Financing	<u>1,161,000</u>	<u>1,161,000</u>	<u>2,322,000</u>
Totals	\$125,993,841	\$124,485,968	\$250,479,809

The approved MCE of \$250,479,809 shall be funded by BMC with an equity contribution of \$125,678,000 (50.2%) and long term debt in the form of proceeds from tax exempt bonds issued by the Massachusetts Development Finance Agency.

The conditions accompanying this approval are as follows:

1. Boston Medical Center shall accept the maximum capital expenditure of \$250,479,809 (December 2014 dollars) as the final cost figure except for those increases allowed pursuant to 105 CMR 100.751 and 100.752.
2. The approved gross square footage of the project as amended shall be 138,480 GSF of new construction and 365,387 GSF of renovations as itemized in Attachment 2
3. Boston Medical Center shall contribute \$125,678,000 in equity, or 50.2% of the amended maximum capital expenditure, to the funding of the project.
4. Boston Medical Center shall contribute an additional \$4,272,794 to the \$8,251,196 associated with the project as originally approved for a revised total contribution of \$12,523,990, an amount representing 5% of the maximum capital expenditure as amended, to fund community health services initiatives as described in the document prepared by the Office of Community Health Planning ("OCHP"), as amended from time to time by agreement of Boston Medical Center and OCHP, which is presented as Attachment 1 and incorporated herein by reference.
5. All other conditions attached to the original approval of this project shall remain in effect.

Sincerely,



Bernard Plovnick, Director
Determination of Need Program

Attachments (2)

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

ATTACHMENTS

Attachment 1: Community Health Initiatives

Attachment 2: Square Footage Chart

[Type text]



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

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

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

To: Commissioner Bharel and Members of the Public Health Council

From: Cathy O'Connor, Director, Community Health Planning

Date: February 3, 2015

Re: Community Health Initiative (CHI) for Factor 9, Boston Medical Center, Project 3B32.1, Significant Change to MCE and Scope. MCE increase \$85,455,885; Additional CHI: \$4,272,794

In accordance with 105 C.M.R. §100.533(B)(9) and 100.551(J), the Applicant will commit five percent (5%) of the amended approved MCE, which increased from \$165,023,924 to \$250,479,809, for an increase from \$8,251,196 to \$12,523,990 to support primary and preventative health care services and related community benefit initiatives. The Applicant will allocate its community health initiatives ("CHI") funding consistent with the programmatic priorities and payment allocation and schedule established through discussions with the Office of Community Health Planning and summarized below.

Boston Medical Center (BMC) is the largest safety net provider in New England and provides high quality care to an underserved patient population. All of BMC's programs and services are tailored to meet the complex needs of the vulnerable populations served:

- While an estimated 3.1% of Massachusetts resident do not have health coverage 9.2% if BMC patients were uninsured in FY12.
- Seventy percent of BMC patients are low income families, elders, and people with disabilities, minorities, and immigrants. Sixty-five percent are Boston residents, concentrated in neighborhoods with the greatest level of health disparities.
- BMC's primary care practices serve an estimated 163,000 primary care patients across all payors with 74% of patients covered by government payors.

In 2013, BMC partnered with Health Resources in Action to conduct a comprehensive CHNA (community health needs assessment), including community focus groups and key informant stakeholder interviews. The Implementation Strategy that emerged from the CHNA identified four priorities, each of which aligns with identified community health needs: (1) access to and utilization of health care, (2) chronic diseases and conditions, (3) violence, and (4) mental health and substance abuse. BMC addresses these priorities through its many existing community benefit programs. Investment from this DoN will include both existing and new programs identified through a collaborative strategic process that is outcome and impact driven and includes the following steps:

1. BMC agrees to participate in the DPH Health Impact Assessment (HIA) effort over the course of the next several months as one of the community case studies. This participation may entail participation in key informant interviews, data and information requests and possibly a to-be-determined community engagement process.

2. Based on the findings of the DPH HIA, BMC will either adopt the best practice findings of that study or conduct its own HIA (in consultation with DPH). If deemed necessary, plans for this HIA will commence within ninety (90) days of BMC's receipt of the completed DPH HIA. This study will be funded with a small portion of the CHI obligation (est. \$20,000 - \$40,000). In partnership with DPH, Boston Alliance for Community Health (BACH) and the Boston Public Health Commission (BPHC), BMC would use the insights of the CHNA and HIA(s) to determine which of its existing program(s) have the greatest health impact or otherwise align with the best practices in decision making. The HIA(s) and CHNA would serve as the basis for identifying up to \$6,452,360, including \$4,251,196 of existing funding and \$2,201,164 in additional funding through the DoN amendment, of existing programming to be funded over 5-7 years. This funding would begin within forty-five (45) days of identification of eligible programs.
3. The remaining portion of the CHI or \$6,071,630, including \$4,000,000 of existing funding and \$2,071,630 in additional funding through the DoN amendment, would be for new programs/initiatives, or expansions of existing programs/initiatives, which may be allocated through a RFP process or an alternative distribution process, agreed to by the partners and OCHP based on the findings of the HIA(s) and consistent with the priorities identified by the CHNA. BACH and the BPHC would be key stakeholders in the HIA and any subsequent allocation decisions for the CHI funding. These new or expanded programs/initiatives could include programming based at BMC or its affiliates. This funding could be distributed over 10-15 years depending on the findings of the HIA and CHNA or the nature of the programs eligible for funding. The funding will begin upon the implementation date of this project (expected to be 2017) or earlier if BMC presents an eligible new or expanding program prior to the implementation date.

Consistent with 105 C.M.R. 100.551(J), the Applicant is required to file written reports to the department, annually through the duration of each approved project, including a) reporting period; b) funds expended; c) recipient(s) of funds; d) purpose(s) of expenditures; e) project outcomes to date; f) proposed changes, if any, to the approved CHI; g) balance of funds to be expended over the duration of the project; and h) name of applicant's representative, including complete contact information. Reports may but are not required to include copies of printed materials, media coverage, DVDs, etc. Reports may be sent to Cathy O'Connor, Director, MDPH Office of Community Health Planning, 250 Washington Street, Boston, MA 02108, or submitted electronically to: cathy.o'connor@state.ma.us.

Schedule 5.1 Square Footage Comparison

(1)	January 2015								September 2015								Net Change 2015 to 2015	
	(2) Present Square Footage		(3) Square Footage Involved in Project				(4) Resulting Square Footage		(5) Square Footage Involved in Project		(6) Resulting Square Footage		(7) Square Footage Involved in Project		(8) Resulting Square Footage		(9) Square Footage Involved in Project	
	Net	Gross	(4) New Construction		(5) Renovation Area		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	(9) New Construction	(10) Renovation Area
			Net	Gross	Net	Gross												
Functional Area																		
Emergency Services	24,222	37,368	1,457	1,735	31,022	36,215	64,909	103,231	85,865									
Radiology - Diagnostic Imaging	25,816	40,823	6,041	8,894	9,100	12,861	18,694	24,490	(18,333)									
Radiology - Nuclear Medicine	4,611	5,939	5,300	7,850			5,366	7,350	2,011									
Interventional Procedure Platform	85,396	99,756	28,546	30,482	30,809	47,484	71,487	99,640	(4,115)									
Maternity/Newborn	33,638	45,656			33,625	45,676	33,626	45,676	20									
ICU	21,557	32,681	10,366	14,100	24,919	30,114	57,522	77,060	44,379									
Adult Med/Surg	78,052	131,007	464	632	17,218	23,921	36,955	68,488	(74,538)									
Pedi Med/Surg	7,831	12,390	7,064	9,529	8,418	25,340	18,482	34,369	22,579									
Central Processing Department	15,975	18,363	6,228	7,789	5,385	6,187	11,623	13,976	(4,407)									
Pharmacy	18,957	12,693	8,307	5,440	5,313	7,859	12,961	14,703	2,010									
Ambulatory Services	18,694	14,187	8,237	10,301	8,782	7,882	16,860	20,500	6,713									
Dietary Services	33,544	37,139			10,491	12,435	15,114	17,425	(19,710)									
Cardiovascular Testing	2,525	3,913			3,051	5,342	3,051	5,342	1,426									
Dialysis	2,018	2,246			151	160	151	160	(2,366)									
Respiratory Therapy	7,135	8,441	328	448	1,730	1,838	2,656	2,285	(8,155)									
Admitting	3,419	3,941			2,253	2,643	2,253	2,643	(1,958)									
General Conference	4,821	5,370			1,170	1,477	1,170	1,477	(3,893)									
Public Areas	114,471	116,790	568	568	26,395	29,942	49,176	56,138	(86,602)									
General Support Services	38,481	38,394	5,563	7,457	39,478	44,383	46,647	52,678	14,284									
Core/Shell (not included in sq ft total)					124,137													
Sitework & Utilities					17,900													
MEP	77,212	78,798	13,844	14,343	5,913	6,648	69,752	73,285	(5,471)									
Site Survey and Soil Investigation																		
Fixed Equipment Not in Contract																		
Architectural Costs and Engineering Costs																		
Total	581,424	745,837	97,779	138,480	262,214	365,687	530,617	706,718	(45,118)									

Additional Square Footage Involved in Project from 2013 78,445

Attachment/Exhibit

C



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Bureau of Health Care Safety and Quality
Determination of Need (DoN) Program
99 Chauncy Street, Boston, MA 02111

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

July 14, 2016

VIA EMAIL

Andrew S. Levine
Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106
ALevine@dbslawfirm.com

RE: Boston Medical Center
Request for Immaterial Change
DoN Project Number 4-3C32.1

Dear Mr. Levine,

This letter is in response to your request of June 6, 2016, for an immaterial change to reflect the changes in the proposed method of financing which do not result in any increase in the maximum capital expenditure or operating costs to the approved Determination of Need ("DoN") project referenced above. The project was originally approved on April 14, 2014, with a maximum capital expenditure ("MCE") of \$165,023,924 (November 2013 dollars).

A significant amendment to the Project was requested and approved by the Department on March 11, 2015. In this filing, the Applicant sought to increase the total gross square feet ("GSF") to be 504,167 GSF, total MCE of \$250,479,809 (December 2014 dollars), and allowed for a change to the method of financing. The amendment allowed the Applicant to fund \$125,678,000 (December 2014 dollars) or 50.2% of the MCE through equity contribution and the remainder to be funded by tax exempt bonds issued by the Massachusetts Development Finance Agency.

Pursuant to 105 CMR 100.751(B), approval is hereby granted to your request for an immaterial change to Project Number 4-3C32 based upon the following:

1. The request has been filed pursuant to 105 CMR 100.754 of the Determination of Need regulation.
2. The request asks for the Applicant to contribute \$111,178,000 or 44% of the MCE through an equity contribution. The difference of \$139,301,809 or 55.6% will be financed through tax exempted bonds.
3. There will be no increase in GSF or MCE as a result of this immaterial change.

Boston Medical Center
Request for Immaterial Change

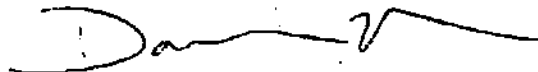
Project #4-3C32.1

The conditions accompanying this approval are as follows:

- I. All other conditions attached to the original project shall remain in effect.

Lastly, I hereby, per 105 CMR 100.754, approve your request to waive the sixty day waiting period and this immaterial change shall take effect immediately upon receipt of this letter.

Sincerely,



Darrell Villaruz
Interim Manager
Determination of Need Program

cc: Michael Sinacola, Bureau of Health Care Safety and Quality
Rebecca Rodman, Office of General Counsel
Sherman Lohnes, Division of Health Care Facility Licensure and Certification
Mary Byrnes, Center for Health Information and Analysis
Stephen Thomas, MassHealth
Erica Koscher, Health Policy Commission
Daniel Gent, Division of Health Care Facility Licensure and Certification

Attachment/Exhibit

D

Schedule 5.1 Square Footage Comparison

January 2017											January 2015											Net Change 2015 to 2017					
(1)	(2)		(3)	(4)		(5)	(6)	(7)	(8)	(9)		(4)		(5)	(6)	(7)	(8)	(9)		(4)		(5)	(6)	(7)	(8)	(9)	
	Present Square Footage		Gross	Square Footage Involved In Project		Gross	Resulting Square Footage		Gross	Square Footage Involved In Project		Gross	Resulting Square Footage		Gross	Square Footage Involved In Project		Gross		New Construction		Renovation Area					
	Net	Gross		Net	Gross		Net	Gross		Net			Gross	Net		Gross	Net			Gross	Net	Gross	Net	Gross	Net	Gross	Net
Functional Area																											
Emergency Services	24,222	37,396		1,457	1,735	31,022	56,215	54,969	103,231	65,866		1,457	1,735	31,022	56,215	54,968	103,231	65,866		0		0		0		0	
Radiology - Diagnostic Imaging	25,819	40,523		8,041	9,894	9,109	12,861	16,994	24,498	(16,333)		8,041	9,894	9,109	12,861	16,994	24,498	(16,333)		0		0		0		0	
Radiology - Nuclear Medicine	4,611	5,939		5,366	7,850			5,366	7,850	2,011		5,366	7,950			5,365	7,958	2,011		0		0		0		0	
Interventional Procedure Platform	66,389	99,755		26,545	30,482	30,808	47,494	71,407	96,640	(4,115)		25,545	36,482	30,808	47,484	71,407	96,640	(4,115)		0		0		0		0	
Maternity/Newborn	33,630	45,696				39,073	53,076	39,073	53,076	7,420				39,073	45,676	39,068	45,676	20		0		7,400		0		0	
ICU	21,657	32,681		10,368	14,190	23,752	35,954	23,752	35,954	54,557		10,368	14,190	24,919	30,114	27,522	37,660	44,375		0		5,840		0		0	
Adult Med/Surg	78,655	131,607		464	632	21,857	30,491	46,334	71,497	(59,390)			464	632	47,216	23,821	36,935	56,463	(24,539)		0		6,500		0		
Pedi Med/Surg	7,831	12,390		7,064	9,628	9,653	38,340	17,028	48,968	36,573		7,064	9,628	8,418	25,340	13,482	34,568	22,579		0		14,000		0		0	
Central Processing Department	15,873	18,363		8,228	7,788	5,335	6,187	11,623	13,976	(4,407)		8,228	7,788	5,395	5,187	11,623	13,976	(4,407)		0		0		0		0	
Pharmacy	10,967	12,693		5,307	5,440	6,313	7,858	12,801	14,703	2,010		5,307	5,440	6,313	7,858	12,801	14,703	2,010		0		0		0		0	
Ambulatory Services	10,884	14,187		8,237	10,301	6,782	7,982	16,860	20,900	5,713		8,237	10,301	6,782	7,982	16,860	20,900	5,713		0		0		0		0	
Dietary Services	39,544	37,132				10,461	12,435	15,114	17,425	(19,710)				10,461	12,435	15,114	17,425	(19,710)		0		0		0		0	
Cardiovascular Testing	2,525	5,513				7,474	9,342	7,474	9,342	6,429				3,051	5,342	3,051	5,342	1,428		0		4,000		0		0	
Dialysis	2,018	2,246				1,826	2,400	1,826	2,400	156					151	160	161	160	(2,696)		0		2,240		0		0
Respiratory Therapy	7,130	8,441		329	448	1,730	1,838	2,058	2,286	(6,155)		329	448	1,730	1,838	2,058	2,286	(6,156)		0		0		0		0	
Admitting	3,419	3,941				2,253	2,843	2,253	2,843	(1,098)				2,253	2,843	2,253	2,843	(1,098)		0		0		0		0	
General Conference	4,821	5,370				1,170	1,477	1,170	1,477	(1,170	1,477	1,170	1,477	(3,693)		0		0		0		0	
Public Areas	114,471	115,760		568	530	26,395	26,942	49,176	50,158	(66,602)		568	560	26,395	26,942	49,176	50,158	(66,602)		0		0		0		0	
General Support Services	36,481	38,394		5,963	7,457	39,478	44,383	46,647	52,678	14,284		5,963	7,457	39,478	44,383	46,647	52,678	14,284		0		0		0		0	
Core/Shell (not included in sq ft total)						124,137									124,137					0		0		0		0	
Sitework & Utilities						17,900									17,900					0		0		0		0	
MEP																				0		0		0		0	
Site Survey and Soil Investigation																				0		0		0		0	
Fixed Equipment Not In Contract																				0		0		0		0	
Architectural Costs and Engineering Costs																				0		0		0		0	
Total	581,424	745,837		97,773	138,480	286,911	405,967	583,458	751,486	7,549		97,773	138,480	282,214	355,647	590,517	780,218	(45,110)		0		39,960		0		0	

Additional Square Footage Involved in Project from 2013	39,952
---	--------

Attachment/Exhibit

E

AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

We, the undersigned, on behalf of Boston Medical Center, hereby certify as follows:

1. We have read the Massachusetts Department of Public Health's (the "Department") Determination of Need regulations, 105 CMR 100.00 et seq. (the "Regulations").
2. We have read the foregoing Request for Amendment, including all exhibits and attachments (the "Request"), prepared on behalf of Boston Medical Center.
3. We have caused to be submitted the required copies of this Request to the Program Director of the Determination of Need Program and, as applicable, to the Health Policy Commission, the appropriate Regional Health Office of the Department, the Center for Health Information and Analysis, the Department of Elder Affairs and the Department of Mental Health as required by 105 CMR 100.152 or 105 CMR 100.153.
4. The material submitted to the Department by or on behalf of Boston Medical Center, with respect to the Request is true and does not, to the best of our knowledge, contain any false statement or misrepresentation of fact.

Signed on this 24th day of January 2017, under the pains and penalties of perjury.

For Corporation:



By: Kathleen E. Walsh
Its: President and CEO

For Board of Trustees



By: Martha Samuelson
Its: Chair of the Board

On this 24th day of January, 2017, Kathleen E. Walsh personally appeared before me, the undersigned notary public, and proved to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed above and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of her knowledge and belief.

Notary Public Signature:

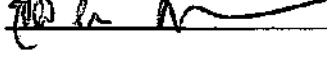


My Commission
Expires: July 24, 2020



On this 24th day of January, 2017, Martha Samuelson personally appeared before me, the undersigned notary public, and proved to me through satisfactory evidence of identification, which was a driver's license, to be the person whose name is signed above and who swore or affirmed to me that the contents of the document are truthful and accurate to the best of his knowledge and belief.

Notary Public Signature:



My Commission
Expires: July 24, 2020



Attachment/Exhibit

2

The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Bureau of Health Care Safety and Quality
Determination of Need (DoN) Program
250 Washington Street Boston, MA 02108

SAKER

Mayor

KYNN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

March 20, 2017

VIA EMAIL

Andrew Levine, Esq.
Donoghue Barrett & Singal
One Beacon Street Suite 1320
Boston, MA 02108-3106

RE: Request for Approval of Minor Amendment
Boston Medical Center Project #4-3C32.2

Dear Mr. Levine:

This letter is in response to yours dated January 26, 2017, submitted on behalf of Boston Medical Center ("Holder") and seeking a minor amendment to approved DoN Project #4-3C32 ("Project"): increasing the Gross Square Footage ("GSF") by 10.9% and the Maximum Capital Expenditure ("MCE") by 7.8%.

The Project was approved on April 14, 2014 for new construction and renovation of space at the Holder's Menino Campus to permit the transfer of patient services currently sited at the Holder's East Newton Campus. On March 12, 2015, the Holder received approval for a significant amendment to the Project providing for a change in the method of financing and allowing it to be financed with tax exempt bonds rather than, solely, equity. At the same time, the GSF and MCE were increased along with a concomitant increase by the Holder to the total contribution of funds for Community Health Initiatives. On July 14, 2016, the Department approved a request for an immaterial change to reflect changes in the proposed method of financing which did not result in any increase in the MCA or operating costs.

In the current request, the Holder seeks approval to amend the scope of the Project along with accompanying changes to the MCE and total GSF of the Project. The Holder asserts that these changes result from an unanticipated increase in patient demand. At the time that the original project was developed incident to the 2014 DoN, the Holder had experienced decreases in average daily census for several years and relied on that trend to project that it could consolidate and operate with 237 medical/surgical beds. Since that time, the Holder has experienced an unanticipated increase in its adult medical/surgical patient case mix with a higher acuity of illness, resulting in an increased length of stay. As a result, the Holder's average daily census has been trending higher than originally projected for the DoN Project.

The Holder proposes to add beds and to accommodate the beds, increase its GSF with a concomitant increase in the MCE. This proposal represents an increase from the original DoN but is

still a decrease from the current licensed bed count. The proposed bed complement is set out in the chart below:

	Licensed	DoN Approval	Amendment	Change from License	Change from DoN Approval	Total Beds with Amendment
Medical/Surgical	332	232	265	-67	33	265
Obstetric	39	30	n/a	-9	n/a	30
Pediatric	30	24	22	-8	-2	22
NICU	15	15	n/a	0	n/a	15
ICU/CCU/SICU	74	60	63	-11	3	63
PICU	6	6	4	-2	-2	4
Total	496	367	354	-97	32	399

Pursuant to 105 CMR 100.750(B), changes or modifications which are minor shall not be made unless the Program Director or Council approves such modifications in accordance with the procedures set forth in 105 CMR 100.755. The review shall be limited to determining whether the changes or modifications are minor, whether they fall within the scope of the project as initially approved, and whether the changes are reasonable.

A Minor Change is defined by Regulation in 105 CMR 100.752 and includes: (B) Increases or decreases in the aggregate gross square footage up to 15% of the approved space or 2000 gross square feet, whichever is greater, provided that such a change in aggregate gross square footage does not result in any change in the bed capacity or maximum capital expenditure (unless approved hereunder); and (D) Increases in the maximum capital expenditure of up to 10% of the inflation adjusted originally approved total expenditure and decreases in the maximum capital expenditure. Increases shall be allowed only for contingencies which could not have been reasonably foreseen, which are not reasonably within the control of the holder and for which the inflationary adjustment contained in 105 CMR 100.551(I)(5) is not appropriate.

Findings

1. The request has been filed pursuant to 105 CMR 100.750 Amendment of Approved Projects of the DoN Regulation.
2. After review, Staff has determined that the requested Amendment falls within the definition of Minor Change 105 CMA 100.752 (D), that the proposed changes fall within the scope of the project as initially approved, and that the changes are reasonable
3. The scope and cost of the requested changes are reasonable and could not reasonably have been foreseen at the time of filing the original DoN application.

Pursuant to 105 CMR 100.755(C) of the Determination of Need regulations, approval is hereby granted to amend the approved DoN Project #4-3C32.2 subject to the following conditions:

1. That the amended MCE is \$269,479,809 (January 2017 dollars), an increase of \$19,443,099 or 7.8%.
2. That the GSF approved for renovation is 405,667 GSF, an increase of 39,980 GSF representing a 10.9% increase.
3. That there is no request for or any change to the Project's new construction related GSF.
4. That the Holder shall contribute 5% of the requested \$19,443,099 increase in the MCE or \$975,155 to support primary and preventative health care services and related community benefits in the same manner as such funds are approved to be distributed under the original DoN approval. Specifically, \$487,577 will be identified to support existing programming and \$487,577 will be for new programs/initiatives, or expansions of existing programs/initiatives.
5. All terms and conditions attached to the original approval of Determination of Need Project #4-1586 shall remain in effect.

Sincerely,

~S~

Nora Mann, Esq.
Director
Determination of Need Program

cc: Stephen Davis, HCFLC
Daniel Gent, HCFLC
Sherman Lohnes, HCFLC
Patty McCusker, CHIA
Kate Mills, HPC
Eric Gold, AGO
Thomas Lane, MassHealth
Rebecca Rodman, Deputy General Counsel

Attachment/Exhibit

G

Attachment/Exhibit

1



Massachusetts Department of Public Health Determination of Need Application Form

Version: 8-15-17

Application Type: Application Date: 11/03/2017 4:10 pm

Applicant Name:

Mailing Address:

City: State: Zip Code:

Contact Person: Title:

Mailing Address:

City: State: Zip Code:

Phone: Ext: E-mail:

Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name:

Facility Address:

City: State: Zip Code:

Facility type: CMS Number:

1. About the Applicant

1.1 Type of organization (of the Applicant):

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

1.3 What is the acronym used by the Applicant's Organization?

1.4 Is Applicant a registered provider organization as the term is used in the HPC/CHIA RPO program? ☒ Yes ☐ No

1.5 Is Applicant or any affiliated entity an HPC-certified ACO? ☐ Yes ☒ No

1.6 Is Applicant or any affiliate thereof subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00 (filing of Notice of Material Change to the Health Policy Commission)? ☐ Yes ☒ No

1.7 Does the Proposed Project also require the filing of a MCN with the HPC? ☐ Yes ☒ No

1.8 Has the Applicant or any subsidiary thereof been notified pursuant to M.G.L. c. 12C, § 16 that it is exceeding the health care cost growth benchmark established under M.G.L. c. 6D, § 9 and is thus, pursuant to M.G.L. c. 6D, § 10 required to file a performance improvement plan with CHIA? ☐ Yes ☒ No

1.9 Complete the Affiliated Parties Form

2. Project Description

2.1 Provide a brief description of the scope of the project.

See attached narrative.

2.2 and 2.3 Complete the Change in Service Form

3. Delegated Review

3.1 Do you assert that this Application is eligible for Delegated Review? ☒ Yes ☐ No

3.1.a If yes, under what section?

4. Conservation Project

4.1 Are you submitting this Application as a Conservation Project? ☐ Yes ☒ No

5. DoN-Required Services and DoN-Required Equipment

5.1 Is this an application filed pursuant to 105 CMR 100.725: DoN-Required Equipment and DoN-Required Service? ☐ Yes ☒ No

6. Transfer of Ownership

6.1 Is this an application filed pursuant to 105 CMR 100.735? ☐ Yes ☒ No

7. Ambulatory Surgery

7.1 Is this an application filed pursuant to 105 CMR 100.740(A) for Ambulatory Surgery? ☐ Yes ☒ No

8. Transfer of Site

8.1 Is this an application filed pursuant to 105 CMR 100.745? ☐ Yes ☒ No

9. Research Exemption

9.1 Is this an application for a Research Exemption? ☐ Yes ☒ No

10. Amendment

10.1 Is this an application for a Amendment? ☒ Yes ☐ No

10.2 This Amendment is: ☒ Immaterial Change ☐ Minor Change ☐ Significant Change

10.3 Original Application number: Project #4-3C32

10.3.a Original Application Type: Hospital/Clinic Substantial Capital Expenditure

10.3.b Original Application filing date: 04/14/2014

10.3.c Have there been any approved Amendments to the original Application? ☒ Yes ☐ No

Add/Del Row	Amendment Number	Amendment Change Type	Approval Date
10.3.d For each approved Amendment list all Amendment Numbers, Amendment types, and Approval Dates.			
Add/Del Row	Amendment Number	Amendment Change Type	Approval Date
<input type="checkbox"/> + <input type="checkbox"/> -	Project #4-3C32	Significant	03/12/2015
<input type="checkbox"/> + <input type="checkbox"/> -	Project #4-3C32	Immaterial	07/06/2016
<input type="checkbox"/> + <input type="checkbox"/> -	Project #4-3C32	Minor	03/20/2017

For Immaterial or Minor Amendment changes:

10.4.a Briefly describe the Approved Project.

See attached narrative.

10.4.b Describe the proposed change and associated costs.

See attached narrative.

10.4.c Describe why this is reasonable and within the the approved project.

See attached narrative.

11. Emergency Application

11.1 Is this an application filed pursuant to 105 CMR 100.740(B)?

☐ Yes ☒ No

12. Total Value for Immaterial or Minor Amendments

Your project application is for an: Immaterial or Minor Amendment

Filing Fee: \$0

No additional information is need for this section.

13. Factors

Required information and supporting documentation consistent with 105 CMR 100.210

Some Factors will not appear depending upon the type of license you are applying for.

Text fields will expand to fit your response.

Documentation Check List

The Check List below will assist you in keeping track of additional documentation needed for your application. Once you have completed this Application Form the additional documents needed for your application will be on this list. E-mail the documents as an attachment to: DPH.DON@state.ma.us

- ☐ Electronic copy of Staff Summary for Approved DoN
- ☐ Electronic copy of Original Decision Letter for Approved DoN
- ☐ Electronic Copy of any prior Amendments to the Approved DoN
- ☐ Certification from an Independent Certified Public Accountant
- ☐ Articles of Organization / Trust Agreement

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form.

To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit

Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the "E-mail submission to Determination of Need" button.

This document is ready to file:



Date/time Stamp: 11/03/2017 4:10 pm

E-mail submission to
Determination of Need

Application Number: BMC-17110316-AM

Use this number on all communications regarding this application.

☐ Community Engagement-Self Assessment form

November 3, 2017

Via Email

Nora Mann, Esq., Program Director
Determination of Need Program
Department of Public Health
250 Washington Street
Boston, MA 02108

DONOGHUE
BARRETT
& SINGAL

Re: Application Number - BMC-17110316-AM
Request for Approval of Immaterial Change to Determination of Need Project #4-
3C32, Boston Medical Center, Inc.

Dear Attorney Mann:

We write on behalf of Boston Medical Center (the "Applicant"). The Applicant is the holder of approved Determination of Need ("DoN") Project #4-3C32 ("Project"). The Project involved new construction and renovation at the Applicant's Menino Campus to transfer all patient services offered at the East Newton Campus, consolidating all of the Applicant's operations at the Menino Campus. In accordance with 105 C.M.R. 100.635(A)(1), the Applicant requests approval for an insignificant change to the DoN relative to the approved method of financing. We offer the following information.

On April 14, 2014, the Applicant received approval for the Project from the DoN Program. Specifically, the approval authorized new construction and renovation of space at the Applicant's Menino Campus to permit the transfer of patient services currently sited at the Applicant's East Newton Campus. The construction and renovation allows the Applicant to discontinue all patient services at its East Newton Campus and centralize all inpatient and interventional care and most ambulatory services on a single campus. The total approved gross square feet ("GSF") is 425,723 GSF, which includes of 115,286 GSF of new construction and 310,437 GSF of renovation. The approved maximum capital expenditure ("MCE") associated with the Project is \$165,023,924 in November 2013 dollars.

On March 12, 2015, the Applicant received approval for a significant amendment to the Project. The amendment provided for a change in the method of financing as the Project will be financed in part through tax exempt bonds rather than solely equity. In addition, the Project was amended to reflect certain changes in scope and building design. As a result of these changes the DoN approval was amended to allow for an increase in the MCE to \$250,479,809 (December 2014 dollars) and to amend the GSF to provide for 138,480 GSF of new construction and 365,387 GSF of renovation. On July 16, 2016, the Applicant received approval for an immaterial change to reflect a further change to the proposed method of financing to allow for a change in the balance of bond and equity financing.

Donoghue Barrett & Singal
One Beacon Street, Suite 1320
Boston, MA 02108-3106
T 617.598.6700
F 617.722.0276
www.dbslawfirm.com

Nora Mann, Esq., Program Director
Determination of Need Program
Department of Public Health
November 3, 2017
Page 2

DONOGHUE
BARRETT
& SINGAL

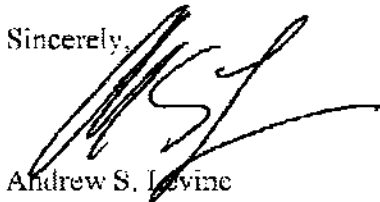
On March 20, 2017, the Applicant received approval for a minor change to the scope of the Project along with accompanying changes to the MCE and total GSF of the Project. The amended MCE is \$269,479,809 (January 2017 dollars) or an increase of \$19,443,099 from the prior approved MCE. The amended GSF approved for renovation is 405,667 GSF.

The Applicant now requests approval for an insignificant change to allow for additional financing of the Project through tax exempt bonds, which is considered an insignificant change under the regulations. The existing approval provided for the Applicant to finance \$139,301,809 of the MCE through tax exempt financing and the remainder of the MCE to be funded through an equity contribution. The Applicant intends to increase the amount of the MCE to be financed by \$19,443,099, resulting in a total of \$158,744,908 to be financed with tax exempt bonds.

With this change, the Applicant also seeks to increase the MCE by \$215,747 to provide for the costs of securing financing, resulting in an amended MCE of \$269,695,556. This represents a 0.08% increase in the MCE. The inflation adjusted MCE is \$273,420,211.24 (October 2017 dollars). The requested increase in the MCE for the Project is within the inflation adjustment is provided for in 105 CMR 100.310(I); therefore, the small increase in the MCE meets the regulatory definition of an immaterial change.

The affidavit of Truthfulness is attached. We thank you for your attention to this matter. Please do not hesitate to contact Crystal Bloom, Esq. or me if you have any questions regarding this request.

Sincerely,



Andrew S. Levine

Enclosure

cc: R. Rodman, Esq.
M. Begley
E. Weinstein, Esq.



Massachusetts Department of Public Health
Determination of Need
Affidavit of Truthfulness and Compliance
with Law and Disclosure Form 100.405(B)

Version: 7-6-17

Instructions: Complete information below. When complete check the box "This document is ready to print:". This will date stamp and lock the form. Print Form. Each person must sign and date the form. When all signatures have been collected, scan the document and e-mail to: dph.don@state.ma.us Include all attachments as requested.

Application Number: 4-3C32

Original Application Date: 04/14/2014

Applicant Name: BMC Health System, Inc.

Application Type: Amendment Immaterial

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

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

The undersigned certifies under the pains and penalties of perjury:

1. The Applicant is the sole corporate member or sole shareholder of the Health Facility(ies) that are the subject of this Application;
2. I have read 105 CMR 100.000, the Massachusetts Determination of Need Regulation;
3. I understand and agree to the expected and appropriate conduct of the Applicant pursuant to 105 CMR 100.800;
4. I have read this application for Determination of Need including all exhibits and attachments, and certify that all of the information contained herein is accurate and true;
5. If subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00, I have submitted such Notice of Material Change to the HPC - in accordance with 105 CMR 100.405(G);
6. Pursuant to 105 CMR 100.210(A)(3), I certify that both the Applicant and the Proposed Project are in material and substantial compliance and good standing with relevant federal, state, and local laws and regulations, as well as with all previously issued Notices of Determination of Need and the terms and Conditions attached therein;
7. I have read and understand the limitations on solicitation of funding from the general public prior to receiving a Notice of Determination of Need as established in 105 CMR 100.415;
8. Pursuant to 105 CMR 100.705(A), I certify that the Applicant has Sufficient Interest in the Site or facility; and
9. Pursuant to 105 CMR 100.705(A), I certify that the Proposed Project is authorized under applicable zoning by-laws or ordinances, whether or not a special permit is required; or,
 - a. If the Proposed Project is not authorized under applicable zoning by-laws or ordinances, a variance has been received to permit such Proposed Project; or,
 - b. The Proposed Project is exempt from zoning by-laws or ordinances.

Corporation:

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

Type in and then:

CEO for Corporation Name:

Signature:

Date

James S. Phelan

Signature:

Date

Board Chair for Corporation Name:

11/3/2017

This document is ready to print: ☒

Date/Time Stamp: 11/01/2017 7:52 pm



Massachusetts Department of Public Health
Determination of Need
Affidavit of Truthfulness and Compliance
with Law and Disclosure Form 100.405(B)

Version: 7-6-17

Instructions: Complete information below. When complete check the box "This document is ready to print". This will date stamp and lock the form. Print Form. Each person must sign and date the form. When all signatures have been collected, scan the document and e-mail to: dph.don@state.ma.us Include all attachments as requested.

Application Number: 4-3C32

Original Application Date: 04/14/2014

Applicant Name: BMC Health System, Inc.

Application Type: Amendment Immaterial

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

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

The undersigned certifies under the pains and penalties of perjury:

1. The Applicant is the sole corporate member or sole shareholder of the Health Facility(ies) that are the subject of this Application;
2. I have read 105 CMR 100.000, the Massachusetts Determination of Need Regulation;
3. I understand and agree to the expected and appropriate conduct of the Applicant pursuant to 105 CMR 100.800;
4. I have read this application for Determination of Need including all exhibits and attachments, and certify that all of the information contained herein is accurate and true;
5. If subject to M.G.L. c. 6D, § 13 and 95B CMR 7.00, I have submitted such Notice of Material Change to the HPC - in accordance with 105 CMR 100.405(G);
6. Pursuant to 105 CMR 100.210(A)(3), I certify that both the Applicant and the Proposed Project are in material and substantial compliance and good standing with relevant federal, state, and local laws and regulations, as well as with all previously issued Notices of Determination of Need and the terms and Conditions attached therein;
7. I have read and understand the limitations on solicitation of funding from the general public prior to receiving a Notice of Determination of Need as established in 105 CMR 100.415;
8. Pursuant to 105 CMR 100.705(A), I certify that the Applicant has Sufficient Interest in the Site or facility; and
9. Pursuant to 105 CMR 100.705(A), I certify that the Proposed Project is authorized under applicable zoning by-laws or ordinances, whether or not a special permit is required; or,
 - a. If the Proposed Project is not authorized under applicable zoning by-laws or ordinances, a variance has been received to permit such Proposed Project; or,
 - b. The Proposed Project is exempt from zoning by-laws or ordinances.

Corporation:

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

Type name here
Kathleen E. Walsh

Signature: Kate Walsh

Date: 11/13/2017

CEO for Corporation Name:

Type name here

Board Chair for Corporation Name:

Signature:

Date:

This document is ready to print: ☒

Attachment/Exhibit

2



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

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

November 17, 2017

VIA EMAIL

Andrew Levine, Esq.
Donoghue Barrett & Singal
One Beacon Street Suite 1320
Boston, MA 02108-3106

RE: Request for Approval of an Immaterial Change
Boston Medical Center Project #4-3C32

Dear Mr. Levine:

This letter is in response to yours dated November 3, 2017, submitted on behalf of Boston Medical Center ("Holder") and seeking an immaterial change to approved DoN Project #4-3C32 ("Project") to the DoN relative to the approved method of financing.

Background

The Project was approved on April 14, 2014 for new construction and renovation of space at the Holder's Menino Campus to permit the transfer of patient services currently sited at the Holder's East Newton Campus.

- On March 12, 2015, the Holder received approval for a significant amendment to the Project providing for a change in the method of financing and allowing it to be financed with tax exempt bonds rather than, solely, equity. At the same time, the Gross Square Footage (GSF) and Maximum Capital Expenditure (MCE) were increased along with a concomitant increase by the Holder to the total contribution of funds for Community Health Initiatives.
- On July 14, 2016, the Department approved a request for an immaterial change to reflect changes in the proposed method of financing which did not result in any increase in the MCA or operating costs.
- On March 20, 2017, the Applicant received approval of a minor change through which the MCE was amended by \$19,443,099 or 7.8% for a total of \$269,479,809 (January 2017 dollars) and the GSF approved for an increase of 39,980 GSF representing a 10.9% increase for a total of 405,667 GSF.

Pending Request

The Applicant requests an immaterial change which will result in the increase in the MCE by \$215,747 to provide for the costs of securing financing. Approval of this immaterial change, will result in an amended MCE of \$269,695,556. This represents a 0.08% increase in the MCE. The inflation adjusted MCE is \$273,420,211.24 (October 2017 dollars) and is within the inflation adjustment that is contemplated by the regulation in 105 CMR 100.310(1). The modest increase in the MCE meets the regulatory definition of an immaterial change.

Findings and Decision

The request has been filed in compliance with 105 CMR 100.635 (A)(1). After review, Staff has determined that the requested amendment falls within the definition of Immaterial Change, that the request is within the scope of the Notice of Determination of Need as previously approved by the Department, and that the proposed change is reasonable.

Pursuant to 105 CMR 100.635 (A)(1) of the Determination of Need regulations, approval is hereby granted to amend the approved DoN Project #4-3C32, subject to the following condition:

1. That the Holder shall contribute 5% of the requested \$215,747 increase in the MCE or \$10,787.35 to support the community health initiative "Affordable Housing as a Social Determinant of Health" detailed and planned for implementation under the original DoN approval.

All terms and conditions attached to the original approval of Determination of Need Project #4-3C32 shall remain in effect.

Sincerely,



Monica Bharel, MD, MPH
Commissioner

cc: Stephen Davis, HCFLC
Daniel Gent, HCFLC
Sherman Lohnes, HCFLC
Patty McCusker, CHIA
Kate Mills, HPC
Eric Gold, AGO
Thomas Lane, MassHealth
Rebecca Rodman, Deputy General Counsel

Attachment/Exhibit

H

The Commonwealth of Massachusetts

William Francis Galvin

Secretary of the Commonwealth

One Ashburton Place, Boston, Massachusetts 02108-1512

ARTICLES OF ORGANIZATION

(General Laws, Chapter 180)

Examiner

Name
Approved

ARTICLE I

The exact name of the corporation is:

BMC Health System, Inc.

ARTICLE II

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

See Article II continuation sheet 1.

C ☐

P ☐

M ☐

R.A. ☐

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

P.C.

ARTICLE III

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

The corporation will not have members.

ARTICLE IV

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

See Article IV Continuation Sheet.

ARTICLE V

The by-laws of the corporation have been duly adopted and the initial directors, president, treasurer and clerk or other presiding, financial or recording officers, whose names are set out on the following page, have been duly elected.

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

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

ARTICLE VI

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

The effective date shall be **July 1, 2013**.

ARTICLE VII

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

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

One Boston Medical Center Place, Boston, MA 02118

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

	NAME	RESIDENTIAL ADDRESS	POST OFFICE ADDRESS
President			
Treasurer:	See Article VII Continuation Sheet.		
Clerk:			

Directors:
(or officers
having the
powers of
directors)

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

September

d. The name and business address of the resident agent, if any, of the corporation is:

N/A

I/We, the below signed incorporator(s), do hereby certify under the pains and penalties of perjury that I/we have not been convicted of any crimes relating to alcohol or gaming within the past ten years. I/We do hereby further certify that to the best of my/our knowledge the above-named officers have not been similarly convicted. If so convicted, explain.

IN WITNESS WHEREOF AND UNDER THE PAINS AND PENALTIES OF PERJURY, I/WE, whose signature(s) appear below as incorporator(s) and whose name(s) and business or residential address(es) are clearly typed or printed beneath each signature do hereby associate with the intention of forming this corporation under the provisions of General Laws, Chapter 180 and do hereby sign these Articles of Organization as incorporator(s) this 19th day of June, 2013.

By: 

David Beck
One Boston Medical Center Place
Boston, MA 02118

Note: If an existing corporation is acting as incorporator, type in the exact name of the corporation, the state or other jurisdiction where it was incorporated, the name of the person signing on behalf of said corporation and the title he/she holds or other authority by which such action is taken.

Article II Continuation Sheet

The corporation is organized and shall be operated exclusively for the benefit of Boston Medical Center Corporation, Boston Medical Center Health Plan, Inc., and other **BMC Health System, Inc.**, affiliates and entities as may be formed or determined by the corporation from time to time, and it shall have the following charitable, educational, and scientific purposes:

(A) (i) overseeing the operations of charitable hospitals for the surgical and medical treatment and care of the sick and injured; (ii) overseeing the operations of other services associated with charitable hospitals, including, but not limited to, health plans, medical centers, accountable care organizations, affiliated physician services organizations, laboratories, clinics, post-acute care facilities and other medical surgical, dental, educational and scientific and research facilities and home health agencies; (iii) providing and enhancing access to effective, efficient and high quality health care services for low-income, underserved, disabled, elderly and other vulnerable residents of Boston and surrounding communities; (iv) the advancement of the knowledge and practice of, and education and research in, medicine, surgery, nursing and all other subjects relating to the care, treatment and healing of humans; and (v) the improvement of public health in cooperation with federal, state, municipal and other health departments and officers;

(B) the cooperation with, contribution to and support of other organizations in promoting the purposes of this corporation, including the support of all corporations affiliated with this corporation that are determined to be exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code and the doing of all things incidental to the foregoing; and

(C) to do all things necessary and proper to carry out the purposes for which the corporation is organized and to have and exercise all the powers conferred by the laws of the Commonwealth of Massachusetts upon corporations organized under Chapter 180 of the General Laws as they may be now or hereinafter amended, and that are not inconsistent with Section 501(c)(3) of the Internal Revenue Code.

Consistent with the above, and in support of its charitable purposes, the corporation shall have and may exercise in pursuance of its corporate purposes, without limitation, each of the following powers:

1. to solicit and receive gifts and donations from individuals and organizations, and to accumulate funds for the support of the charitable activities of the corporation, and to expend the principal or income or both in carrying out the purposes of the corporation.
2. to purchase, receive, take by grant, gift, devise, bequest or otherwise, lease or acquire, own, hold, improve, employ, use and deal in and with real or personal property, or any interest therein, wherever situated.
3. to sell, convey, lease, exchange, transfer or otherwise dispose of or mortgage, pledge, encumber or create a security interest in, all or any of its property, or any interest therein, wherever situated.

4. to purchase, take, receive, subscribe for or otherwise to acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer or otherwise dispose of, mortgage, pledge, use and otherwise deal in and with, bonds and other obligations, shares or other securities or interests issued by others, whether engaged in similar or different business, governmental or other activities.
5. to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations in, all or any of its property or interest therein wherever situated.
6. to lend money, invest and reinvest its funds and take and hold real and personal property as security for the payment of funds so loaned or invested.
7. to carry on its operations and have offices and exercise the powers granted by these Articles of Organization in any jurisdiction within or without the United States.
8. to make donations, irrespective of corporate benefit, for the public welfare or for community fund, hospital, charitable, religious, educational, scientific, civic or similar purposes, and in time of war or other national emergency in aid thereof.

Article IV Continuation Sheet**Other Lawful Provisions**

- A. The corporation may be a partner, either general or limited, in any enterprise which it would have power to conduct by its self.
- B. The corporation shall have the powers to solicit and receive contributions from any source and to hold, in trust or otherwise, funds received by gift or bequest.
- C. Meetings of the directors may be held anywhere in the United States.
- D. Notwithstanding anything else herein provided, the corporation is organized and shall be organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, as said terms have been and shall be defined pursuant to Sections 170(c) and 501(c)(3) of the Internal Revenue Code. All powers of this corporation shall be exercised only in such manner as will assure the operation of this corporation exclusively for said purposes, as so defined, it being the intention that this corporation shall be exempt from federal income tax and that contributions to it shall be deductible pursuant to said sections of said Code, and all purposes and powers herein shall be interpreted and exercised consistently with such intention. The corporation may (subject to the foregoing sentence) exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed, including the foregoing powers and all powers conferred from time to time by the laws of the Commonwealth of Massachusetts upon corporations organized under or subject to Chapter 180 of the General Laws of the Commonwealth, provided that:
 - (i) No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article.
 - (ii) No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation (except to the extent permitted pursuant to an election made under Section 501(h) of the Internal Revenue Code) and the corporation shall not participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.
- E. In the event that the corporation is a private foundation within the meaning of Section 509 of the Internal Revenue Code, then notwithstanding any other provisions of these Articles of Organization or the by-laws of the corporation, the following provisions shall apply:
 - (i) The corporation shall distribute the income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code; and

- (ii) The corporation shall not engage in any act of self dealing as defined in Section 4941(d) of the Internal Revenue Code; nor retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code; nor make any investments in such manner as to incur tax liability under Section 4944 of the Internal Revenue Code; nor make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code.
- F. Except as may be otherwise required or permitted by law, the corporation may at any time authorize a petition for its dissolution to be filed with the Supreme Judicial Court of the Commonwealth of Massachusetts pursuant to Section 11A of Chapter 180 of the General Laws. In the event of any liquidation, dissolution, termination or winding up of the corporation (whether voluntary, involuntary or by operation of law), the property or assets of the corporation remaining after providing for the payment of its debts and obligations shall be conveyed, transferred, distributed, and set over outright to one or more educational, charitable or scientific institutions or organizations:
- (i) that are created and organized for nonprofit purposes similar to those of the corporation;
 - (ii) that qualify as exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; and
 - (iii) contributions which are deductible under Section 170(c) of the Internal Revenue Code, as designated by a majority of the total number of the directors of the corporation, in such proportions and in such manner as may be determined in such vote; provided that the corporation's property may be applied to charitable, scientific or educational purposes in accordance with the doctrine of cy pres in all respects as a court having jurisdiction in the property may direct.
- G. No officer or director shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as an officer or director, notwithstanding any provision of law imposing such liability; provided, however, that this provision shall not eliminate the liability of an officer or director, to the extent that such liability is imposed by applicable law:
- (i) for any breach of the officer's or director's duty of loyalty to the corporation;
 - (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or
 - (iii) for any transaction from which the officer or director derived an improper personal benefit.

If Chapter 180 of the General Laws is amended to authorize corporate action further eliminating or limiting the personal liability of officers or directors, then the liability of an officer or director of the corporation shall be eliminated or limited to the fullest extent permitted by Chapter 180 of the General Laws, as so amended from time to time.

Article VII Continuation Sheet**Officers and Trustees**

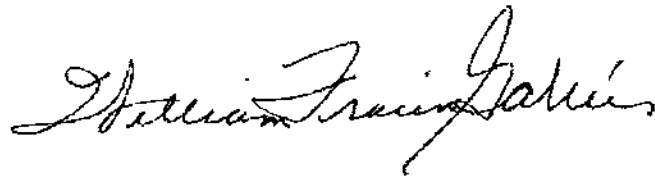
TITLE	NAME	RESIDENTIAL ADDRESS	POST OFFICE ADDRESS
OFFICERS			
Chair	Edmond English	10 Stonegate Road Hopkington, MA 01748	
President	Kathleen Walsh	12 Marvin Road Wellesley, MA 02481	
Treasurer	Richard W. Silveria	40 School Street Dunstable, MA 01827	
Clerk	David Beck	50 Mount Vernon Street Boston, MA 02108	
TRUSTEES			
Trustee	David Ament	37 Circuit Road Chestnut Hill, MA 02467	
Trustee	Jack Cradock	47 Paine Street Winthrop, MA 02152	
Trustee	William R. Creevy, M.D.	1 Buckingham Terrace Wellesley, MA 02482	
Trustee	Edmond English	10 Stonegate Road Hopkington, MA 01748	
Trustee	Peggy Koenig	209 Ridgeway Road Weston, MA 02493	
Trustee	Mark Nunnelly	61 Farm Street Dover, MA 02030	
Trustee	David Passafaro	1946 Washington Street, #330 Auburndale, MA 02466	
Trustee	James Phalen	64 Seabury Point Road Duxbury, MA 02332	
Trustee	Martha Samuelson	17 Winthrop Street Newton, MA 02465	

Trustee	Richard Slifka	776 Boylston St, Unit E10E Boston, MA 02190
Trustee	Kate Walsh	12 Marvin Road Wellesley, MA 02481

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

June 19, 2013 10:14 AM

A handwritten signature in black ink, reading "William Francis Galvin". The signature is written in a cursive, flowing style with a large initial 'W'.

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

Attachment/Exhibit

I



Massachusetts Department of Public Health
Determination of Need
Affidavit of Truthfulness and Compliance
with Law and Disclosure Form 100.405(B)

Version: 7-6-17

Instructions: Complete information below. When complete check the box "This document is ready to print." This will date stamp and lock the form. Print Form. Each person must sign and date the form. When all signatures have been collected, scan the document and e-mail to: dph.don@state.ma.us Include all attachments as requested.

Application Number: BMC-18091312-AM Original Application Date: 04/14/2014

Applicant Name: BMC Health System, Inc.

Application Type: Amendment Minor

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

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

The undersigned certifies under the pains and penalties of perjury:

1. The Applicant is the sole corporate member or sole shareholder of the Health Facility(ies) that are the subject of this Application;
2. I have ~~read~~ 105 CMR 100.000, the Massachusetts Determination of Need Regulation;
3. I understand and agree to the expected and appropriate conduct of the Applicant pursuant to 105 CMR 100.800;
4. I have ~~read~~ this application for Determination of Need including all exhibits and attachments, and ~~certify~~ ^{**}that all of the information contained herein is accurate and true;
5. If subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00, I have submitted such Notice of Material Change to the HPC - in accordance with 105 CMR 100.405(G);
6. Pursuant to 105 CMR 100.210(A)(3), I certify that both the Applicant and the Proposed Project are in material and substantial compliance and good standing with relevant federal, state, and local laws and regulations, as well as with all ~~previously issued~~ ^{***} Notices of Determination of Need and the terms and conditions attached therein;
7. I have ~~read~~ and understand the limitations on solicitation of funding from the general public prior to receiving a Notice of Determination of Need as established in 105 CMR 100.415;
8. Pursuant to 105 CMR 100.705(A), I certify that the Applicant has Sufficient Interest in the Site or facility; and
9. Pursuant to 105 CMR 100.705(A), I certify that the Proposed Project is authorized under applicable zoning by-laws or ordinances, whether or not a special permit is required; or,
 - a. If the Proposed Project is not authorized under applicable zoning by-laws or ordinances, a variance has been received to permit such Proposed Project; or,
 - b. The Proposed Project is exempt from zoning by-laws or ordinances.

Corporation:

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

Kathleen E. Walsh

Kathleen E. Walsh

9/12/18

CEO for Corporation Name:

Signature:

Date

James S. Phalen

James S. Phalen

9/12/18

Board Chair for Corporation Name:

Signature:

Date

This document is ready to print: ☒

Date/time Stamp: 08/31/2018 10:54 am

*been informed of the contents of

**have been informed that

***issued in compliance with 105 CMR 100.00, the Determination of Need Regulation effective January 27, 2017