



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
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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