



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
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DATE: March 6, 2023

Steven Nathin, MD
Boston Surgery Center, LLC
85 First Ave
Waltham, MA 02451

VIA electronic mail: snathin@bostonpaincare.com

RE: Notice of Transfer of Site Application #22120815-AS

Dear Dr. Nathin,

We are in receipt of the above-referenced Notice and its accompanying attachments, dated February 9, 2023, wherein Boston Surgery Center, LLC (BSC) provided notice to the Department of Public Health (the Department) in accordance with 105 CMR 100.745 for a proposed transfer of site of BSC, from 85 First Avenue, Waltham, MA to 281 Winter Street, 2nd Floor, Waltham, MA, as described below. The proposed transfer of site involves the relocation of two outpatient procedure rooms from BSC's current location in Waltham to the proposed location, one mile away, in Waltham, MA.

BSC has complied with the requirements of Notice and has provided information sufficient to allow the Department to make a finding that the proposed transaction will neither result in a Substantial Capital Expenditure nor Substantial Change in Service, and thus will not first require a Notice of Determination of Need (DoN).

Reason for Request

1. Description

The Applicant has stated the landlord of the current space at 85 First Avenue in Waltham is not renewing the lease, so the existing space will no longer be available. The lease will terminate on March 31, 2024. In order to preserve timely access to the BSC's services and enable patients to continue to undergo pain management procedures at BSC, the Applicant is proposing to locate

the ASC to a new space at 281 Winter Street in Waltham. The Applicant is anticipating that relocating the ASC to the new space with take effect on January 1, 2024, provided DoN approval is received. BSC currently has two operating rooms (ORs), and the number of ORs will remain the same.

Gross Square Feet (GSF)

The proposed site is approximately 570 square feet larger than the current site (11% increase in floor space). The Applicant provided a detailed breakdown of the current and proposed site descriptions and floor plans for comparison purposes. The Applicant states that the increased floor space will allow for increased social distancing between patients and additional storage room for personal protective equipment (PPE) and medical supplies.

2. Demographics and Primary Service Area (PSA)

The Applicant provided detailed patient demographic and insurance information for BSC patients over a 12-month period (January to December 2022). The surgery center served 788 unique patients during the 12-month period.

Age: Patients are aged 18 and older with the 61-70 age cohort making up the largest age cohort.

Ethnicity: Approximately 7% of patients identify as Hispanic or Latino.

Race: The majority of patients identify as White, followed by Asian.

Patient Origin: 40% of patients live in the following communities: Waltham, Framingham, Natick, Hudson, Boston, Marlborough, Arlington, Watertown, Concord, Holliston, Lexington, Weston, Wayland, and Wellesley Hills.

Insurance: Primary payer is commercial insurers (Blue Cross Blue Shield, Tufts Health Plan, and Harvard Pilgrim Health Plan), followed by Medicare.

Because the proposed site is one mile (approximately a 5-minute drive time) from the existing site, the Applicant does not anticipate any changes to the PSA served by BSC.

3. Patient Access

Because the proposed site is one mile from the existing site, the Applicant does not anticipate any impact on the Patient Panel's access to BSC's services. In addition, the Applicant states that the following features will support Patient Panel access to services at the proposed site:

- One exterior entrance with a single, defined patient drop-off at the main entrance supporting a streamlined point of access for patients and their families; and
- A provider with an office onsite at the proposed site, that most patients currently see, making the proposed location (building and layout) familiar to patients prior to their procedure.

4. Impact on Health Care Spending

The Applicant does not anticipate that the proposed Transfer of Site will have an impact on price because the facility fees charged by BSC will not change and because the transfer of site will not

impact BSC's assigned CMS fee schedule (Region 01) nor will it impact the Commonwealth's "statewide rates" which is the basis for reimbursement for commercial payers.

The Applicant does not anticipate that the proposed Transfer of Site will impact total medical expenditures (TME) because preserving access to BSC's services for the Patient Panel will allow the ASC to meet continued demand for services, rather than patients seeking services at a higher cost provider.

The Applicant does not anticipate that the proposed Transfer of Site will impact provider costs because the surgical staff and anesthesiology staff will remain the same and payer contracts will remain the same.

The capital expenditure associated with the proposed transfer of site, \$1,894,668.00, are related to construction costs needed to renovate existing space at the proposed site. The Applicant notes that the total includes architectural fees, site development costs, permit fees, etc. The estimated construction costs are \$1,587,890, with a 20% cost rate for change orders. The Applicant states that all equipment and furniture will be relocated from the current site to the proposed site.

5. Sufficient Interest in the Proposed Site

BSC has executed a lease for the space at 281 Winter St., Waltham and the area is appropriately zoned to provide healthcare services.

Findings:

The Department finds that Boston Surgery Center, LLC has provided the Department with the information required in 105 CMR 100.745(D). Based upon review of the Notice and supporting materials, the Department finds that this transaction does not require a DoN either as a Substantial Capital Expenditure or Substantial Change in Service, pursuant to 105 CMR 100.730.

Margret R. Cooke



Commissioner