



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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December 19, 2022

Donna M. Casey
Senior Vice President, Strategic Business Planning
Boston Children's Hospital
300 Longwood Avenue
BY483
Boston, MA 02115

VIA electronic mail: donna.casey@childrens.harvard.edu

RE: Notice of Final Action DON Application #BCH-21071411-HE

Dear Ms. Casey,

At their meeting of December 14, 2022, the Commissioner and the Public Health Council; acting together as the Department, voted pursuant to M.G.L. c.111, §25(c) and the regulations adopted thereunder, to approve the Determination of Need application filed by Children's Medical Center Corporation (CMCC or Applicant) located at 300 Longwood Ave Boston, MA for a Substantial Capital Expenditure and Substantial Change in Service at the Children's Hospital Corporation d/b/a Boston Children's Hospital for the following:

- **Waltham:** Renovation and expansion of 78,395 gross square feet at an existing site at 9 Hope Avenue, Waltham.
 - o the expansion of clinical areas, including existing infusion, sleep disorders, radiology, and behavioral health services, including the establishment of a medical- psychiatric ("med-psych") partial hospitalization program.
- **Needham:** a new site that involves new construction of an ~224,000 gross square foot facility at 380 First Avenue, Needham. The proposed facility would include:
 - o eight operating rooms (4 new, 4 relocated from Lexington) for ambulatory surgery;
 - o hospital outpatient space to include phlebotomy, physical and occupational therapy, ophthalmology, and diagnostic radiology; and
 - o one MRI unit.

- **Weymouth:** a new site that involves new construction, of ~33,862 gross square feet at 200 Libbey Parkway, Weymouth.¹ This facility would include diagnostic and therapeutic outpatient hospital services, including audiology, speech therapy, vision function testing, phlebotomy, echocardiography and radiology, including one MRI Unit²

This Notice of Final Action incorporates by reference the Staff Report, and the Public Health Council proceedings concerning this application, all of which are incorporated herein by reference.

This Determination of Need Application was reviewed pursuant to M.G.L. c. 111, § 25(c), and the regulatory provisions of 105 CMR 100.000 et seq. Based upon a review of the materials, the Department found that the Applicant has met each DoN factor with conditions and approves this Determination of Need application for a substantial capital expenditure for the Proposed Project of \$434,691,000.00. The total required Community Health Initiative (CHI) contribution is \$21,734,550.00.

In compliance with the provisions of 105 CMR 100.310 A (2) and (11) the Holder shall submit an acknowledgment of receipt to the Department (attached) and include a written attestation of participation or intent to participate in MassHealth.

In compliance with 105 CMR 100.310(A)(12), which requires a report to the Department, at a minimum on an annual basis, including the measures related to achievement of the DoN factors for a period of five years from completion of the Proposed Project, the Holder shall address its assertions with respect to all the factors.

Other Conditions to the DoN

Condition 1 – CHI

1. Of the total required CHI contribution of \$21,734,550.00
 - a. \$5,324,964.75 will be directed to the CHI Statewide Initiative
 - b. \$15,974,894.25 will be dedicated to local approaches to the DoN Health Priorities
 - c. \$434,691.00 will be designated as the Administrative Allowance
2. To comply with the Holder's obligation to contribute to the Statewide CHI Initiative, the Holder must submit a check for \$5,324,964.75 to Health Resources in Action (the fiscal agent for the CHI Statewide Initiative).
 - i. The Holder must submit the funds to HRiA within 30 days from the date of the Notice of Approval. co
 - ii. The Holder must promptly notify DPH (CHI contact staff) when the payment has been made.

¹ The Weymouth Facility is in part a relocation of services currently being provided in Weymouth by the Applicant's physicians.

² Such diagnostic and therapeutic hospital services will be co-located with physician office space relocated from 541 Main Street in Weymouth, the lease for which space is expiring in 2024.

3. The Holder shall continue to follow federal requirements for conducting triennial CHNAs. In developing CHNAs, Holder will continue to include the geography of each satellite location and make good faith efforts to collaborate with other area hospitals, as well as existing collaboratives and coalitions therein.

Payment should be sent to:
Health Resources in Action, Inc.(HRiA)
2 Boylston Street, 4th Floor
Boston, MA 02116
Attn: Ms. Bora Toro

Condition 2 – Before licensing the final 2 ORs at Needham, the Holder must demonstrate need to open the ORs. Data submitted must include:

- a. BCH satellite (combined) and Longwood OR utilization rate, by specialty
- b. With respect to BCH Systemwide Ambulatory Surgical Case Backlog, the number of unbooked cases and the months to clear the backlog by specialty:
 - Orthopedic Surgery/Sports Medicine
 - Urology
 - ORL
 - Ophthalmology
 - Gastroenterology
 - Plastics
 - Dental
 - General Surgery
 - Dermatology
 - GYN
 - Pain

Condition 3 - To ensure the Proposed Project is addressing ambulatory surgical patient panel need by reducing existing capacity constraints at BCH Longwood, one year after receiving the Notice of DoN, the Holder must provide as baseline data the below metrics and begin reporting the following information as part of an annual report required by 105 CMR 100.310 (A)(12):

With respect to surgical procedures at BCH Longwood:

- a. Acuity by case mix index
- b. Average minutes per surgical case

Condition 4 – To ensure the Proposed Project is ensuring access to care for MassHealth patients with FY2019 as baseline data, the below metrics shall be reported after the sites open as part of an annual report required by 105 CMR 100.310 (A)(12):

- a. Payer mix by site and service for Needham, Weymouth, and Waltham
- b. Payer mix by HSA and service

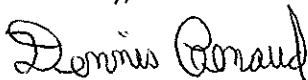
The DoN program shall review the data received from BCH in accordance with Conditions 3 and 4 and any material decrease in measures 3a and 3b, or in the MassHealth payer mix for measures 4a and 4b shall be considered a Referral Indicator.

If the DoN Program finds any one or more of the Referral Indicators, the matter shall be referred to the Public Health Council (PHC) for review to determine whether CMCC is in violation of one or more of the conditions and thus out of compliance with the terms of this Notice of DoN.

Upon referral to the PHC based upon any one or more of the Referral Indicators, CMCC shall have an opportunity to show cause why the PHC shall not find one or more of the Referral Indicators.

Ongoing compliance with the conditions and all terms of the DoN is, pursuant to the Regulation, a precondition to the filing of any future DoN by the Holder.

Sincerely,



Dennis Renaud
Director, Determination of Need Program

cc:

- Elizabeth D. Kelley, Director, Bureau of Health Care Safety and Quality
- Stephen Davis, Division of Health Care Facility Licensure and Certification
- Daniel Gent, Division of Health Care Facility Licensure and Certification
- Rebecca Rodman, General Counsel's Office
- Samuel Louis, Office of Health Equity
- Jennica Allen, Division of Community Health Planning and Engagement
- Elizabeth Maffei, Division of Community Health Planning and Engagement
- Katelyn Teague, Division of Community Health Planning and Engagement
- Elizabeth Almanzor, Center for Health Information Analysis
- Katherine Mills, Health Policy Commission
- Eric Gold, Attorney General's Office
- Pavel Terpelets, MassHealth
- Christopher King, Executive Office of Health and Human Services
- Tomaso Calicchio, Executive Office of Health and Human Services
- Hai Nguyen, Executive Office of Health and Human Services
- Karina Mejias, Executive Office of Health and Human Services
- Priscilla Portis, Executive Office of Health and Human Services