

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

MARGRET R. COOKE
Commissioner

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

November 2, 2022

Via electronic mail – Carolyn.jackson@stvincenthospital.com

Ms. Carolyn Jackson
Chief Executive Officer of Saint Vincent Hospital
Representative of the Saint Vincent Hospital Ten Taxpayer Group (TTG)

Dear Ms. Jackson:

The Determination of Need (DoN) Program received comments from the Saint Vincent Hospital TTG on October 20th regarding the Staff Report for DoN Application #UMMHC-22042514-HE, submitted by UMass Memorial Healthcare Inc. (UMass). Your comments included a request for postponement of the Public Health Council (PHC) review of this matter. The DoN program has forwarded this request for postponement for my determination, as required by 105 CMR 100.555. You state that your request for postponement of consideration of this Application for DoN until the next meeting of the PHC is made to allow the DoN program to reevaluate its decision that no Independent Cost-Analysis (ICA) was necessary for this project.

In the case of the current UMass Application for DoN, the Department assessed the need for an ICA and concluded that there was no need for such an analysis. The DoN Program conducted an objective review to assess how the Proposed Project could impact the Commonwealth's cost containment goals which included a review of publicly available data from the Center for Health Information and Analysis (CHIA) on provider prices in the commercial market, and public payer mix. That review and analysis is set out in the Staff Report, in the sections related to Factor 1f and Factor 2 of the DoN regulation. Based upon the DoN Program's review of these materials, we have determined there is no need for further review, and no need for an ICA for this Application.

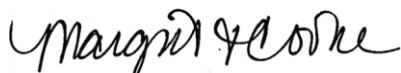
To support your request for a postponement to reevaluate the need for an ICA, you note that the Health Policy Commission (HPC) reported that UMass's Proposed Project is likely to increase commercial spending by five to six million dollars. At the HPC's meeting of the Market Oversight and Transparency Committee on October 12, 2022, the results of the analysis of this Proposed Project did indicate a likely increase in annual commercial spending by \$5.1M to \$5.9M due to moderate increases to inpatient pricing and commercial mix. DoN program staff have reviewed that finding and have taken

it into consideration in their analysis.¹ In 2020, CHIA reported that Total Health Care Expenditures (THCE), a measure of total statewide health care spending in the Commonwealth, were \$62.6 billion.²³ The projected increase in commercial spending for this project is relatively small in relation to the entirety of statewide health care spending, and will not have a significant impact on the Commonwealth's cost containment goals. Given the relatively small cost impact of the Proposed Project, DoN staff was able to conduct a full analysis of the Proposed Project and determined an ICA was not necessary.

To make a case that there is good cause to postpone consideration of a DoN Application to the next PHC meeting, the requestor must demonstrate that failure to grant the request will significantly prejudice the requestor and that postponement would not prejudice any other Party of Record. Your request for postponement is made in order to have DPH reconsider the determination that no ICA is needed. As DPH conducted an objective review before determining that no ICA was needed in this case, and DoN staff have conducted a thorough, objective assessment of how this Proposed Project may impact the Commonwealth's cost containment goals, there is no need for reconsideration regarding the necessity to perform an ICA. Therefore, denying this request will not significantly prejudice the requestor. However, if the project were to be postponed for a month, the delay to the project may prejudice the Applicant.

Accordingly, your request for a postponement is not granted.

Sincerely,



Margret R. Cooke
Commissioner

cc:

Elizabeth D. Kelley, Director, Bureau of Health Care Safety and Quality
Rebecca Rodman, General Counsel's Office
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

¹ Presentation - 10/12/2022 - MOAT Meeting. <https://www.mass.gov/doc/presentation-10122022-moat-meeting/download>

² Center for Health Information and Analysis. Performance of the Massachusetts Health Care System Annual Report March 2022. <https://www.chiamass.gov/assets/2022-annual-report/2022-Annual-Report-Rev-2.pdf>

³ THCE compares actual health care cost growth with the growth benchmark set by the Health Policy Commission. This measure of total health care spending in the Commonwealth includes: All categories of medical expenses paid to providers; All non-claims related payments to providers, such as performance payments; Member cost-sharing payments to providers, such as deductibles, co-payments, and co-insurance; and the net cost of private health insurance.

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