



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
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September 19, 2022

Dear Elected Officials,

Thank you for comments regarding the UMass Memorial Medical Center (UMMMC) Determination of Need (DoN) application with the Department of Public Health, both in writing and through testimony at the August 23rd hearing.

As you are aware, the proposed project includes the renovation of a six-story building adjacent to UMMMC University Campus. This expansion will contain 72 additional medical/surgical (M/S) beds, one additional computed tomography (CT) unit, and shell space for future build out to accommodate clinical services; the addition of 19 M/S beds on UMMMC's Memorial Campus and renovation projects to improve the existing services; and facilities at UMMMC's Memorial Campus. The total value of the Proposed Project based on the maximum capital expenditure is \$143,242,167.

In the group letter submitted to the DoN program, the concerns brought up focused on ensuring that construction reduces the capacity constraints (meeting the needs of the patient population), that it helps consumers save on costs, and ensuring that UMMMC is financially capable of supporting this project in the years to come.

The purpose and objective of the DoN program is to encourage competition with a public health focus, promote population health, and to confirm that resources will be made reasonably and equitably available to every person within the Commonwealth at the lowest reasonable aggregate cost. In this way the Department hopes to advance the Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation

Pursuant to the DoN regulation, [105 CMR 100 \(mass.gov\)](http://www.mass.gov/105CMR100), one of the requirements is that the Department determines that the project is financially feasible and the applicant has sufficient capital and ongoing operating costs necessary to support the Proposed Project without negative impacts or consequences to the Applicant's Patient Panel. The documentation to support that includes a CPA report. Here is a link to the one that UMMMC submitted.

[A912reeab_1m37rfx_4a8.tmp.pdf \(mass.gov\)](http://www.mass.gov/A912reeab_1m37rfx_4a8.tmp.pdf).

The DoN application is a thorough process that goes into great depths of guaranteeing the proposed project is accurately providing information. Only in rare occasions is the ICA needed. The two ICAs required in the last couple of years were for projects with a projected capital expenditure of \$433m (Boston Children's Hospital) and an aggregate of \$2B for three simultaneously filed projects (MGB). These are also two providers with some of the highest relative prices in the state. The DoN program believes that the review of the UMass proposal already completed is the best way to determine whether this project is needed and beneficial.

Thank you again for sharing your thoughts on this matter. We appreciate your insight and hope to continue to partner with you going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Kelley". The signature is written in a cursive, flowing style.

Elizabeth Kelley