From: A
To: DPH-DL - DoN Program
Subject: DoN – Mass General Brigham Incorporated – Multisite - 21012113-AS
Date: Wednesday, April 14, 2021 2:06:00 PM

As a local resident, I support Mass General Brigham's project to provide the same healthcare I receive today in Boston closer to my home. We need more access to care in our community – especially behavioral health, which this site will provide.

I also write on behalf of acquaintances and clients who don't have the resources to drive into Boston or take public transportation. Boston may seem close to Woburn, Westwood, and Westborough, but only if you have a car.

The project will also provide much needed jobs, including 300 union construction jobs and 200 permanent jobs, that will help our local economy emerge from the pandemic.

I support the Mass General Brigham project and ask the Department of Public Health to approve this application.

A
tymoczko001@yahoo.com
West Newton

From: Brenda
To: DPH-DL - DoN Program
Subject: DoN – Mass General Brigham Incorporated – Multisite - 21012113-AS
Date: Monday, April 12, 2021 10:06:52 AM

As a local resident, I support Mass General Brigham's project to provide the same healthcare I receive today in Boston closer to my home. We need more access to care in our community – especially behavioral health, which this site will provide.

The project will also provide much needed jobs, including 300 union construction jobs and 200 permanent jobs, that will help our local economy emerge from the pandemic.

I support the Mass General Brigham project and ask the Department of Public Health to approve this application.

Brenda
bpanasuk@partners.org
Waltham

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS SENATE

SENATOR CINDY F. FRIEDMAN
Fourth Middlesex District

State House, Room 208
Boston, MA 02133

[redacted]
Cindy.Friedman@masenate.gov

Chair
JOINT COMMITTEE ON
HEALTH CARE FINANCING

Vice Chair
SENATE COMMITTEE ON
WAYS & MEANS

April 16, 2021

Monica Bharel
Commissioner, Department of Public Health
250 Washington Street
Boston, MA 02108

Dear Commissioner Bharel,

I write to share my concerns regarding the Massachusetts General Brigham, Inc.'s (MGB) application for Determination of Need (DoN) 21012113, as filed on February 12, 2021, for the construction and development of three ambulatory care centers located in Westborough, Westwood, and Woburn.

We share the goal of ensuring access to high-quality, equitable, and affordable healthcare that meets the needs of our residents, no matter where they live or who they are. We also both share a laser-like focus on health equity issues, particularly on those communities that have been traditionally left behind and where social determinants of health disproportionately result in worse health outcomes. Equity includes access, quality and cost.

I am very concerned that MGB's proposed expansions will materially increase the barriers to meeting the Commonwealth's health care affordability and equity goals and I urge you to use your full authority to ensure that the proposal meets the clear regulations outlined in your department's DoN regulations, 105 CMR 100.00.

Please ensure that MGB clearly articulates its patient panel. This is one of the first factors identified in the DoN regulation. It is important that there is a clear understanding of who MGB intends to serve at these ambulatory care sites to determine whether there is a need for the services being proposed. MGB's patient panel includes over 2 million lives – I assume that is the patient panel you are using to measure the proposal. If not, why not? Your department should judiciously examine MGB's proposed patient panel to ensure those included in MGB's assumptions are actually those lives that receive primary care by MGB or are otherwise enrolled in an MGB Accountable Care Organization (ACO) program. If the patient panel

includes patients that MGB aspires to serve or serve beyond a past chance or single interaction, those cohorts should be clearly identified and separated from the core patient panel. Furthermore:

- Does MGB's proposal meet the needs of MGB's existing patient panel? What has been done to survey the needs of that existing patient panel across the MGB universe? Has MGB shown that those needs reflect their own patient perspectives and articulated needs?

- Does MGB's proposal reflect the highest-value approach or only way available to respond to the identified patient panel needs? Are there possible collaborations or programs with other, lower-cost entities, other than what the applicant is proposing, that would meet those needs, especially in the case of better access to services and lower costs to the patient and the healthcare system?

- Does it serve the existing MGB patient panel that has historically or is currently underserved? Will MGB's proposal improve health outcomes for those members?

- Does MGB's proposal meet the healthcare goals of the Commonwealth: equity, accessibility, affordability, and high-quality care for ***all*** residents across the state?

- What are the implications for other healthcare entities within the proposed service areas of MGB's proposal? How do those entities serve the healthcare goals of the Commonwealth? Will MGB's proposal reduce access to lower cost, but equally high-quality medical services? What will the ramifications be if services currently serving the needs of these communities must close? How will MGB's proposal affect Total Health Care Expenditures (THCE) and what are the impacts on patients directly and indirectly in terms of cost of care? And in looking at THCE, your department should not simply look to the cost of the proposed services as compared to providing such services in a hospital setting, but as compared to existing, low-cost community-based services.

These questions are required by your department's regulations and should be thoroughly investigated as part of the DoN process. I urge you to carefully adhere and fully embrace the significant investigatory powers that your regulations provide, working hand-in-hand with state government and sister agencies to carefully craft these inquiries and analysis.

I know that you have required an independent cost analysis. I ask that the cost analysis be completed by the Health Policy Commission as an independent outside authority and that you seek out any other expertise necessary to do a thorough and complete analysis of the need for MGB's proposal. MGB's proposal will have a major impact on existing community services, patients, workforce and cost. Expertise, transparency and objectivity are of the utmost importance in reviewing this DoN application because of this impact.

I look forward to your response and thank you for your consideration.

Sincerely,

Cindy F. Friedman

From: Daniel
To: DPH-DL - DoN Program
Subject: DoN – Mass General Brigham Incorporated – Multisite - 21012113-AS
Date: Wednesday, April 14, 2021 1:55:16 PM

As a local resident and Mass General Brigham employee, I believe our relationship with our patients is at the heart of the healthcare experience – for patients, their communities, care team members, and employees.

I think this location would be attractive and convenient for many MGH patients who otherwise would travel to Boston or Waltham to get their care, provided the breadth of primary care/internal medicine services offered were comparable to those in Waltham. It is also a good site to expand subspecialty services, such as rheumatology, allergy/immunology, orthopedic surgery, neurology, etc to name but a few.

Daniel
dhamilos@mgh.harvard.edu
Boston

From: Di
To: DPH-DL - DoN Program
Subject: DoN – Mass General Brigham Incorporated – Multisite - 21012113-AS
Date: Wednesday, April 14, 2021 2:17:08 PM

As a local resident and Mass General Brigham employee, I believe our relationship with our patients is at the heart of the healthcare experience – for patients, their communities, care team members, and employees.

Understanding our patients' personal stories and building a lifelong relationship is crucial to making healthcare less complicated, less fragmented, and less costly.

Our response to COVID-19 is an example of how a coordinated approach can result in better access. I support this expansion, which will bring more benefit to the patient in that community, and I am looking forward to working with Westwood and the surrounding communities to ensure that Mass General Brigham that uses our people, research, and technology to meet the needs of our patients.

Di
dmeng@mgh.harvard.edu
Charlestown

UMassMemorial

One Biotech Park
365 Plantation Street
Worcester, **MA** 01605-2376
[redacted]
Fax: 508-334-0404
E-mail: jamesleary@umassmemorial.org
www.umassmemoria/.org

James B. Leary, Esq.
Vice President, Government and Community Relations

April 6, 2021

VIA EMAIL DPH.DO @MassMail.State. MA.US
Massachusetts Department of Public Health
Determination of Need Program
ATTN: DoN Support
67 Forest Street
Marlborough, MA 01752

Re: Determination of Need (DoN) 21012113-AS; MGB Construction and Development of Three Ambulatory Care Centers - Westborough, Woburn & Westwood

My name is Jim Leary and I'm Vice President of Government & Community Relations for UMass Memorial Health.

To believe MGB's proposal satisfies the Commonwealth's cost containment and health equity goals, and specifically the Department of Public Health's Determination of Needs criteria relating to total medical expense and making health care services reasonably available to every person within the Commonwealth at the lowest reasonable aggregate cost, you would have to ignore abundant and compelling evidence to the contrary.

The first and most obvious thing you would have to ignore is MGB's own statements. In January 2020, MGB leaders made a presentation to the JP Morgan Healthcare Conference that included a slide specifically about this clinic proposal, describing its goal as to ***"Increase*** *network lives and secondary & tertiary* ***commercial*** *referral volume.* " Adding network lives means taking patients from lower cost providers. Increasing commercial secondary referrals means sending more patients to the state's most expensive physicians. And increasing commercial tertiary referral volume means sending more patients to the state's most expensive hospitals. The implications this would have on cost and total medical expense should be clear.

The next thing you would have to ignore is the size of the proposed clinics. MGB's Westborough patient panel is 41% the size of Woburn's and its patient visits are 32% of Woburn's. Yetr it is proposing facilities that are the *exact* same size- 62,000 square-feet. **Why would MGB need the same size clinic for one-third the number of patient visits?** The obvious answer is that both clinics are designed for the commercial growth strategy described to JP Morgan, not to simply, nor even primarily, serve an existing regional patient panel. Certainly MGB would spend millions of dollars to build a clinic two to three times larger than necessary, unless it plans to grow - and grow *substantially.*

But MGB prefers that you ignore that. And now, just this week, MGB did something else they most likely hope you'll ignore. They mailed out thousands upon thousands of flyers to

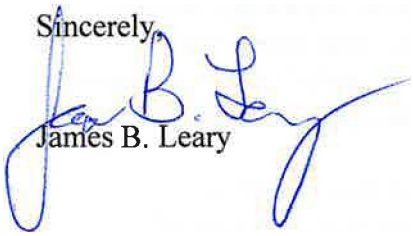
households across the region - irrespective of whether or not the occupants are members of the MGB patient panel-to market the Westborough clinic as *"a bridge to world-renowned hospitals"*. Well, if we build a bridge to the state's most expensive hospitals, we can all expect to pay a big toll - in the form of statewide cost increases and destabilization of safety net providers.

Another thing you would need to ignore is included in MGB's own application, specifically its community survey that shows this clinic is unneeded. MGB's survey gave respondents 17 options to choose from as Strengths of their Community, and the number 2 most cited strength was "Accessible Medical Services" - which was selected by almost 70% of this group of community-representative respondents. This makes clear that its decision to build a clinic centered in the midst of some of the wealthiest towns in Central Mass was *not* due to compelling community need. But it most certainly is consistent with the strategy its leaders described to JP Morgan. This problem is compounded by the fact that ranking dead last among the 17 options in the survey was "Good Public Transportation".[1] Yet, in spite of this vital feedback from a community-representative survey response group, MGB has proposed a site that is completely inaccessible by any mode of public transportation. This is neither responsive to feedback from the community, nor does it address the needs of low-income patients who primarily live distant from the MGB site and would be more likely to need public transportation to reach its facility.

Lastly, MGB hopes you'll ignore its disproportionately low Medicaid payor mix. Its statewide Medicaid payer mix is low, but in Central Mass it's even worse: 54% commercial and 9% Medicaid, compared to UMass Memorial's 30% commercial and over 25% Medicaid. With a payer mix this heavily weighted toward commercial, a facility that is distant from any substantial number of low-income patients, and no public transportation option to get there, it is clear that this clinic would in no way advance the Determination of Need goal of making health care services reasonably available to every person within the commonwealth

In closing, the overwhelming evidence is that MGB's proposal is a major commercial growth' strategy that would increase costs and risk the viability of safety net hospitals. To study this risk in depth and to ensure there is a full and informed public deliberation, I request that the independent cost analysis be conducted by the Health Policy Commission and that the Department of Public Health hold additional public hearings once it's completed.

Sincerely,



James B. Leary

[1] *Mass General Brigham Westborough Service Area Community Health Needs Assessment,* October 3, 2020, Executive Summary, page iii

From: chrissymav@comcast.net
To: DPH-DL - DoN Program
Subject: Testimony - Mass General Brigham Incorporated – Multisite - 21012113-AS
Date: Monday, April 05, 2021 1:52:04 PM

Good afternoon,
My experiences navigating the health care system for my mother have been difficult. She lives in Braintree and pays for 20% of her health care costs. She is now in her late-70s and needs more help as the system has proven difficult for her in the past couple of years.

First, she has had to change PCPs. Her local, family doctor decided to retire early because of the constant pressures of competing with mammoth health systems like MGB. We were able to find another small, local provider but we fear that person will close as well. She feels a connection to her PCP and wants to stay within the communities she grew up in and the community she now lives in. Those local providers are becoming harder and harder to find. If we allow these large systems to continue to expand across the state, there will be none left.

Which brings me to my second point on cost. I am sick of hearing politicians talk about making health care more affordable and then siding with those who have deep pockets and are the most expensive providers. Our local doctors and hospitals provide great care at a better price. There is no difference in quality, yet the cost to my 75-year-old mother is higher. This doesn't make any sense to me.

I work for the YMCA. In basic terms, we are a gym and a day care center. Can the large kinder cares and planet fitness drive business away with their $10 a month cost – yes. But do those huge companies help buy gifts for the communities in need during Christmas, put food on the table during difficult times, or get your kids into sporting programs whether you can afford them or not? No they don't! The YMCA does, because it's local and it's built on community. We need to allow our communities to flourish by protecting the people that live and work in them at a local level – which includes our community health care providers – not by disrupting our communities by bringing in unnecessary services at a higher price.

Thank you.
Karen Buck

Sent from Xfinity Connect App

The Commonwealth of Massachusetts
General Court

March 25, 2021

VIA EMAIL DPH.DON@MassMail.State.MA.US & FIRST CLASS MAIL

Massachusetts Department of Public Health
Determination of Need Program
Attn: DoN Support
67 Forest Street
Marlborough, MA 01752

Re: Determination of Need (DoN) 21012113-AS; MGB Construction and Development of Three Ambulatory Care Centers – Westborough, Woburn & Westwood

To Whom It May Concern:

We write to express our concern with the above-referenced Determination of Need application by Mass General Brigham (MGB), particularly in relation to its impact upon the fiscal viability of safety net hospitals, the potential risks it poses to health equity, and the cost implications for Central Massachusetts employers and employees.

Cost containment and health equity are clearly established public policy priorities of the Commonwealth and should frame every aspect of DPH's evaluation of this proposal. It therefore follows that the independent cost analysis (ICA) you ordered must be broad and exhaustive and open to public analysis and comment.

Regarding cost containment, the Commonwealth is nearly one decade into the implementation of "Chapter 224," the Cost Containment Law of 2012, designed to restrain growth in healthcare cost. Though we have made progress, data from the Center for Health Information and Analysis (CHIA) demonstrate that the applicant remains the highest cost health system in the Commonwealth.

We therefore urge you to scrutinize this application in a thorough and transparent manner that sufficiently addresses statewide cost. The ICA must examine first and second order cost impacts. For example: the possible first order impact of cost escalation when commercial patients migrate to MGB from lower-cost providers, and the possible second order impact of MGB "backfilling" slots at its own hospitals when some of its existing patients transfer their care from MGB hospitals to clinics.

In terms of health equity, Massachusetts remains in the midst of a pandemic that has exposed longstanding racial and geographical inequities. COVID-19 infection rates are higher in communities of color than in the White community and the median hospitalization ages among Blacks and Latinos are younger than among White patients. In addition, infection rates are consistently higher in low-income census tracts than in wealthier locations.

The ICA and the entire DoN process should account for how the construction of massive new outpatient clinics in high income communities will impact the payor mix of nearby safety net hospitals. This analysis should include a forecast of how loss of commercial volume may impact safety net hospitals' ability to remain fiscally viable and adequately treat low-income patients. A recent report by the Office of the Attorney General stated that providers that serve large shares of MassHealth patients "often receive the lowest commercial payment rates for their services, are most likely to have negative margins, and are least equipped to withstand the

demands of responding to a public health emergency while weathering unprecedented revenue disruptions."[1] The report further points out that "persistent reliance on cross-subsidization between commercially insured and publicly insured patients to fund the health care delivery system has prevented providers who serve low-income communities and communities of color from thriving for years."[2] Further erosion of the commercial base of safety net providers would only exacerbate this problem and therefore should be the subject of careful scrutiny as the DoN process moves forward.

In light of these concerns about cost and health equity, below are some particular items we request you explore as you review this application:

- Data from CHIA and the Health Policy Commission (HPC) clearly demonstrate that the applicant is the highest cost health system in the Commonwealth and has the largest commercial market share by far. The independent cost analysis should examine the degree to which opening these large new clinics would expand MGB's market share and how its increased market share may enable MGB to negotiate even higher commercial insurance rates.

- The independent cost analysis should explore how loss of commercial market share to MGB by safety net hospitals will impact their own commercial pricing, specifically including the risk that these hospitals may be forced to negotiate higher commercial rates in an attempt to adequately counterbalance safety net losses with revenue from a smaller commercial base (i.e., the dilemma of raising commercial rates vs. being forced to cut services).

- Each proposed outpatient clinic is to be located at a site that is easily accessible to high-income communities with large numbers of commercially insured residents, but they are not easily accessible to large numbers of low-income patients who are more likely to be insured by MassHealth. For Westborough in particular, the "patient service area" identified by MGB primarily includes towns where median incomes are in the highest 20% statewide and the site is far from any mode of public transportation. The independent cost analysis should study how the clinic's proximity to high income communities, its distance from low-income communities and its inaccessibility to public transportation are likely to impact the payor mixes of MGB *and* of existing local healthcare providers.

- The independent cost analysis should forecast the impact of commercial migration from local providers to MGB, including estimates of loss of commercial patient volume and revenue and, in turn, how loss of such revenue will impact these hospitals' ability to provide optimal levels of safety net care for the most vulnerable residents.

- CHIA data demonstrate that hospital pricing and physician pricing in the MGB system are higher than other providers statewide. The independent cost analysis should examine how referrals within the MGB system for specialized care (for example from the Westborough clinic to Brigham and Women's, Mass General and other MGB hospitals) would impact cost growth statewide.

- The three new clinics are proposed to be essentially the same size. In fact, Woburn and Westborough would be identical in size at 62,048 square-feet. Yet MGB's application reveals that its current patient panel for Westborough is only 41% the size of Woburn's[3] and its number of physician visits is only 32%

[1] *Building Toward Racial Justice and Equity in Health: A Call to Action*, Office of the Attorney General of the Commonwealth, November 2020, page 22.
[2] *Id.*, at 22-23.
[3] Westborough patient Panel = 42,666; Woburn = 103,846 (Fiscal Year 2019)

of Woburn's.[4] The independent cost analysis must examine and publicly report the degree to which migration of commercial patients from other, lower cost healthcare systems to MGB will be necessary to reach the volume of patient visits needed to run facilities of this size.

- The independent cost analysis should examine the cost impact of "backfill." Specifically, it should examine how the transfer of any patients within the MGB system to the three proposed clinics will free up capacity at MGB hospitals and, in turn, how MGB will fill that capacity. Given that MGB has the highest hospital and physician prices, what will the net impact of this domino effect be on statewide cost?

Thank you for your attention to the concerns raised in the letter. We understand and appreciate the important role DPH plays in objectively reviewing DoN applications in a manner that is balanced and fair both to the applicants and to the residents of the Commonwealth. In this case, with an application that has the potential to dramatically shift the healthcare landscape of the Commonwealth, we firmly believe that your examination must be as thorough, as broad and as transparent as possible.

Sincerely,

Michael O. Moore
State Senator
Second Worcester District

James J. O'Day
State Representative
14th Worcester District

Harriette L. Chandler
State Senator
First Worcester District

Daniel M. Donahue
State Representative
16th Worcester District

Kimberly N. Ferguson
State Representative
1st Worcester District

Paul K. Frost
State Representative
7th Worcester District

Anne M. Gobi
State Senator
Worcester, Hampden, Hampshire & Middlesex

Natalie M. Higgins
State Representative
4th Worcester District

Hannah Kane
State Representative
12th Worcester District

David Henry Argosky LeBoeuf
State Representative
17th Worcester District

David K. Muradian
State Representative
9th WorcesterDistrict

Brian W. Murray
State Representative
10th Worcester District

Susannah M. Whipps
State Representative
2nd Franklin District

CC: Secretary Mary Lou Sudders
Commissioner Monica Bharel

[4] Westborough physician visits = 55,385; Woburn = 174,063 (Fiscal Year 2019)

Lara Szent-Gyorgi
Director, Determination of Need Program
Massachusetts Department of Public Health
250 Washington Street
Boston, Massachusetts 02108

Ms. Szent-Gyorgi,

I am writing to raise significant concerns about Mass General Brigham's ("MGB" or the "Applicant") recent proposal to add multiple freestanding healthcare sites across Massachusetts and New Hampshire as submitted to the Massachusetts Department of Public Health for a Determination of Need ("DON") under 21012113-AS (the "Proposed Project").

My concerns stem from both my personal and professional background. As a resident of the Commonwealth, I am very interested in the pricing of health care services and the factors that may influence those prices now and in the future. According to the Kaiser Family Foundation, Massachusetts ranks 11th in total health care spending in absolute dollars and 3rd when considering health care spending per capita. Only the District of Columbia and Alaska (which is impacted by access issues to remote villages) rank higher on a per capita basis for health care costs. These costs impact all residents who utilize the health care system – something we all will do at some point in our lives.

Additionally, I currently serve as the Director of Finance for Ambulatory Surgery at Shields Health Care Group. In this role, I am responsible and accountable for the financial oversight of a growing service at Shields. All of Shields' ambulatory surgery centers are joint ventures with local providers and are reimbursed on a freestanding basis my Medicare, Medicaid, and commercial insurers.

The Proposed Project raises a number of concerns the Department must consider prior to issuing a DON, including:

1. A lack of relative merit, given other alternative and substitute methods for meeting the Patient Panel needs as required by 105 CMR 100.210(A)(5);
2. A lack of evidence for competing on price, total medical expenses, provider costs, and other recognized measures of health care spending as required for a DON under 105 CMR 100.210(A)(1)(f); and
3. Concerns about the Proposed Project's ability to meet the Commonwealth's health care cost-containment goals, as required by 105 CMR 100.210(A)(4)(b), and the requisite health care cost containment efforts currently being led by the Massachusetts Health Policy Commission.

First, I commend Mass General Brigham for working to reduce the cost of care across the Commonwealth. As the Applicant notes, freestanding centers nearly unilaterally reduce costs across the system for patients, payers, and employers. However, the Applicant is comparing its costs on a freestanding basis to the costs in its member Hospitals. Based on the Factors the Applicant is required to satisfy for receipt of a DON under 105 CMR 100.210, the appropriate comparison is not solely comparing costs to itself, but also to the local market.

I do not believe this Proposed Project meets the requirements for Relative Merit as required under 105 CMR 100.210(A)(5). The Applicant has failed to examine the potential alternative of partnering with community-based providers for these services. The Applicant only considered three alternatives – status

quo (Option 1), eliminating Ambulatory Surgery Services at the Proposed Project sites (Option 2), and elimination of CT and MRI services at the Proposed Project sites (Option 3).

There are substantial alternatives that could have been examined for their Relative Merit, including forming joint ventures with local community providers. Shields has a proud history of partnering with local community hospitals and providers to deliver high-quality MRI and Ambulatory Surgical Services in a freestanding environment at a much lower cost. This model could have been examined by the Applicant, but was unfortunately excluded as a potential alternative.

I urge the Commissioner to solicit input from the Applicant as to why the application did not consider a partnership model. My concern is that the Applicant chose not to examine this as an alternative because partnering with local providers would have required formation of a joint venture – which, in turn, would have required filing a Notice of Material Change with HPC. This Notice of Material Change may have required a Cost and Market Impact Review to be completed. This also supports my recommendation to the Commissioner to utilize HPC to assess the ability of the Proposed Project to satisfy the Commonwealth's cost-containment goals.

Further, the capital expenditures required by the Proposed Project, as filed, appear exorbitant. Table 5 highlights the estimated costs on a cost/square foot basis compared to recent projects approved by DPH for ambulatory surgery. Based on the estimated costs below, it is clear the Applicant has not considered all potential substitutes for costs related to the development of these sites.

Table 1. Comparison of square footage and cost/square foot for the Proposed Project and recently approved projects by DPH.

		Gross Square Feet	Total Cost	Cost/Square Feet
Westborough		19,034	$27,832,525	$1,462.25
Woburn		19,034	27,832,525	1,462.25
Westwood		12,607	22,854,874	1,812.87
Weighted average		16,892		1,549.48
Healthcare Enterprises	New build	40,000	27,970,446	699.26
Medford Surgery Center	Renovation	17,500	9,557,557	546.15
Natick Surgery Center	Renovation	13,000	10,012,917	770.22
New England Surgery Center	Renovation	5,190	1,587,646	305.90
Weighted average		18,923		649.08

Based on recent freestanding Ambulatory Surgery Center projects approved by DPH, the Proposed Project will see construction costs approximately 2.5x greater than recently completed projects. The Federal Reserve Bank of St. Louis' FRED Database shows an compound annual growth rate of 4.02% in Producer Price Index by Industry: New Industrial Building Construction (PCU236211236211) (https://fred.stlouisfed.org/series/PCU236211236211). This does not equate to 2.5x the cost from 2019 to 2021.

Based on this, there are three potential explanations for these cost differentials:

1. The Applicant does not understand the inherent efficiency required to operate a viable center on freestanding rates, which calls into question the Relative Merit as outlined in Factor 5;

2. The Applicant realizes these costs are greater as the Applicant plans to repurpose these facilities after approval to more advanced sites not currently contemplated in the application for the Proposed Project; or
3. The Applicant intends to recoup these increased costs through its negotiated reimbursement rates ("prices" in the parlance of the Determination of Need regulations), which implicates the Applicants ability to compete on the basis of price and total medical expense as required in Factor 1(h).

The Commonwealth's own Center for Health Information and Analysis highlights these potential price differentials in its annual report on relative pricing and provider price variation. Members of the MGB system, as a whole, have prices substantially outpacing the network medians for the four major commercial insurance companies in the Commonwealth – Blue Cross Blue Shield of Massachusetts, Fallon Community Health Plan, Harvard Pilgrim Health Care, and Tufts Associated Health Maintenance Organization (collectively, with their affiliates).

Table 2: Calculation of MGB system-wide relative prices, weighted based on total network payments

	Outpatient Relative Price			
	Blue Cross	**Fallon**	**Harvard Pilgrim**	**Tufts**
Brigham and Women's Faulkner Hospital	0.96	1.01	0.91	1.03
Brigham and Women's Hospital	*Not reported*	1.53	1.09	1.33
Cooley Dickinson Hospital	0.83	1.17	1.21	1.28
Martha's Vineyard Hospital	*2.20*	2.47	1.96	1.79
Massachusetts Eye and Ear Infirmary	0.78	0.80	0.72	0.73
Massachusetts General Hospital	*Not reported*	1.52	1.11	1.33
Massachusetts General Hospital - Suburban	0.98	*Not reported*	*Not reported*	*Not reported*
Massachusetts General Hospital - Urban	*1.52*	*Not reported*	*Not reported*	*Not reported*
Nantucket Cottage Hospital	2.21	1.56	2.31	1.82
Newton-Wellesley Hospital	*0.96*	0.82	0.95	1.01
North Shore Medical Center	0.96	1.44	1.00	1.01
Weighted average, based on percent of total network payments	*1.35*	1.40	1.06	1.25

Source: Massachusetts Center for Health Information and Analysis CY 2018 Relative Price Databook (published December 2020).

These relative prices stand in stark contrast to local community hospitals that will be impacted by Mass General Brigham's entry into the community and the associated loss of volume at these community hospitals.

Table 3. Comparison of MGB weighted-average relative prices to competitor hospitals, by market

	Outpatient Relative Price			
	Blue Cross	Fallon	Harvard Pilgrim	Tufts
MGB weighted average, based on percent of total network payments	*1.35*	1.40	1.06	1.25
Woburn				
Lahey Hospital	0.98	0.79	1.04	0.93
Melrose-Wakefield Hospital	0.93	1.07	1.01	0.95
Winchester Hospital	0.80	0.75	0.81	0.81
Weighted average, based on percent of total network payments	0.92	0.91	0.86	0.88
Westborough				
Marlborough Hospital	0.74	0.99	0.83	0.75
MetroWest Medical Center	0.82	0.87	0.79	0.80
Milford Hospital	0.90	0.76	0.86	0.81
Saint Vincent's Hospital	0.78	0.87	0.71	0.78
UMass Memorial Health Care	0.98	0.95	0.95	0.95
Weighted average, based on percent of total network payments	0.92	0.91	0.86	0.88
Westwood				
BID – Milton	0.72	0.48	0.82	0.79
BID – Needham	0.84	0.82	0.92	1.04
Steward Norwood Hospital	0.90	1.06	0.91	0.96
Weighted average, based on percent of total network payments	0.83	0.93	0.88	0.94

Source: Massachusetts Center for Health Information and Analysis CY 2018 Relative Price Databook (published December 2020).

In every community MGB plans to expand, its current system-wide prices – not just those of its academic medical centers – are greater than every local competitor.

Moreover, many of these Hospitals are eligible for funds under the Massachusetts Health Policy Commission's Community Hospital Acceleration, Revitalization, and Transformation (CHART) program, including both hospitals operated by Melrose-Wakefield Healthcare and Winchester Hospital in the Woburn market; Marlborough Hospital and Milford Regional Medical Center in the Westborough market; and both hospitals affiliated with Beth Israel Deaconess in the Westwood market.

My experience working in the freestanding ambulatory surgery space, I realize that prices in a freestanding environment are typically lower than those seen in a Hospital Outpatient environment but higher than those prices seen in a clinic setting (or "physician group", as provided by CHIA). While CHIA does not publish relative prices for freestanding sites, pricing themes are consistent between Hospital Outpatient sites and physician practice prices.

Considering these freestanding sites also more-closely aligned to physician practice rates also shows similar trends.

Table 4. Calculation of MGB system-wide physician group relative prices, weighted based on total network payments (*NOTE: Tufts does not report physician group relative prices)*

	Outpatient Relative Price			
	Blue Cross	Fallon	Harvard Pilgrim	Tufts
Brigham and Women's Physician Organization		1.64		
Newton-Wellesley Physician Hospital Organization		0.75		
Partners Community Physician Organization	*1.26*	1.37	1.27	
Weighted average, based on percent of total network payments	*1.26*	1.52	1.27	

Source: Massachusetts Center for Health Information and Analysis CY 2018 Relative Price Databook (published December 2020).

Table 5. Comparison of MGB weighted-average relative prices to competitor physician groups, by market

	Outpatient Relative Price			
	Blue Cross	Fallon	Harvard Pilgrim	Tufts
Weighted average, based on percent of total network payments	*1.26*	*1.52*	*1.27*	
Woburn				
Beth Israel Deaconess Care Organization (BIDCO)	*0.92*	*~ n.r. ~*	*1.11*	
Lahey Clinic	*0.92*	*0.68*	*1.00*	
New England Quality Care Alliance (NEQCA)	*1.08*	*0.82*	*1.06*	
Weighted average, based on percent of total network payments	*0.98*	*0.79*	*1.07*	
Westborough				
Central Mass. IPA (CMIPA)	*~ n.r. ~*	*1.02*	*0.92*	
MetroWest Health Care Alliance, Inc.	*~ n.r. ~*	*0.71*	*~ n.r. ~*	
NEQCA	*1.08*	*0.82*	*1.06*	
Reliant Medical Group	*1.44*	*1.23*	*1.36*	
Stewart Network Services	*1.13*	*1.22*	*1.17*	
UMass Memorial Medical Center – based practices	*0.97*	*0.9*	*~ n.r. ~*	
UMass Memorial Medical Group	*~ n.r. ~*	*0.86*	*1.11*	
Weighted average, based on percent of total network payments	*1.11*	*1.07*	*1.14*	
Westwood				
BIDCO	*0.92*	*~ n.r. ~*	*1.11*	
NEQCA	*1.08*	*0.82*	*1.06*	
Steward Network Services	*1.13*	*1.22*	*1.17*	
Weighted average, based on percent of total network payments	*1.06*	*0.91*	*1.12*	

The Applicant is correct that as freestanding facilities, the Proposed Project will reduce total medical expenditures. Rates for freestanding facilities tend to fall between rates paid to Hospital Outpatient departments and physician practices (as seen on Medicare's Freestanding ASC fee schedule and its RVRBS schedule for payments to physicians). However, the Applicant has failed to provide sufficient evidence that its rates will be competitive across the market. The Applicant's own application indicates

that the savings are only from patients "of the Applicant that are seen at a Project Site versus one of the Applicant's other facilities."

Given the Applicant's recent and long-term history of having relative prices greater than median prices, there's sufficient reason to believe this trend will continue if the Proposed Project is approved. Moreover, the Applicant did not sufficiently detail how it will ensure the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measure of health care spending, as required under 105 CMR 100.210(A)(1)(f).

Further, the Applicant highlights this concern itself in its' application where it highlights "As of August 2016, procedures performed in an ambulatory care center cost Medicare just 53% of the amount paid to HOPDs. The Applicant estimates that it will be 25% less costly to receive the Ambulatory Surgery Services at a Project Site, as compared to one of the Applicant's community hospitals." If the Applicant will be taking a 47% reduction in rates from Medicare but only a 25% total reduction in revenue, there are clear pricing indications apparent in the application related to commercial carriers and ultimately premiums residents of the Commonwealth will need to pay.

Due to this lack of explanation and indication of comparable costs to commercial payers in the application, DPH cannot effectively render a Determination – whether for or against – on the Proposed Project without first undertaking an independent cost analysis. Given the potential impact on community hospitals, there are also obvious potential market impacts that must be understood.

Finally, given the concerns above about the Proposed Project's ability to effectively compete on the basis of prices and total medical expenses, there are similar concerns that the Proposed Project would be consistent with the Commonwealth's efforts to meet health care cost-containment goals.
The Proposed Project was submitted by a single entity. As such, the Proposed Project did not require analysis of any cost impacts by the Massachusetts Health Policy Commission ("HPC"). HPC was created by Chapter 224 of the Acts of 2012 to monitor and enforce the benchmark for health care cost growth, placing new scrutiny on health care market power, price variation, and cost growth at individual health care entities, among other legislative mandates.

Given the data presented in Tables 1-5 above and a lack of explanation in the application for a DON about how the Applicant intends to reduce price variation current experienced in the market, there are sufficient grounds to assess the Proposed Project for its consistency with the Commonwealth's efforts to meet health care cost-containment goals.

HPC is an independent state agency that has a legislative and regulatory mandate to monitor and enforce the Commonwealth's health care cost growth and cost-containment goals. Additionally, HPC has published a define set of guidelines and regulations, including how it calculates "Materially Higher Price" as defined in 958 CMR 7.02. Finally, HPC has a defined set of procedures to follow when conducting a Cost and Market Impact Review that are codified in statute in Section 13 of Chapter 6D of the Massachusetts General Laws. A formal Cost and Market Impact Review would be transparent to all interested stakeholders while following these generally accepted procedures for understanding impacts to market functioning.

Given these important characteristics of HPC along with the statutory charge of HPC to assess the cost-containment goals required to be satisfied by an independent cost analysis, I strongly urge the DPH and the Commissioner to request the HPC to conduct the independent cost analysis of the Proposed Project.

I respectfully request the Commissioner closely evaluate the Proposed Project for its impact on competition based on relative prices, the ability for the Proposed Project to meet the Commonwealth's cost containment goals, and the lack of Relative Merit in the application.

Sincerely,

DocuSigned by:
Robert Andrew Wilkinson
2DFF7764614F40B...

4/6/2021

Robert Andrew Wilkinson, MHA, FHFMA

Corporate Office

Crown Colony Park
700 Congress Street
Quincy, MA 02169
[redacted]
www.shields.com

April 16, 2021

Lara Szent-Gyorgyi, Director
Determination of Need Program
Massachusetts Department of Public Health
250 Washington Street, Boston, MA 0210
DPH.DON@massmail.state.ma.us

RE: Determination of Need - Mass General Brigham Incorporated – Multisite – 21012113-AS

Dear Director Szent-Gyorgyi:

Thank you for the opportunity to submit comments relative to Mass General Brigham's ("MGB") Determination of Need ("DoN") Application – Multisite – 21012113-AS ("Proposed Project") for the addition of three new ambulatory surgical centers; each including four operating rooms; physician services and imaging services in the communities of Westborough, Westwood and Woburn. The Proposed Project runs counter to the DoN program's stated objectives: "to encourage competition with a public health focus; to promote population health and to ensure that resources will be made reasonably and equitably available to every person within the Commonwealth at the lowest reasonable aggregate cost." Furthermore, the Proposed Project fails to meet multiple DoN Factors of approval set forth in 105 CMR 100.210. For these reasons, Shields Health Care Group (Shields) respectfully requests the DoN Program's Staff recommend the Department disapprove the Proposed Project.

MGB's proposed outpatient surgical expansion into the communities of Woburn, Westwood and Westborough will lead to increased statewide health care spending. The Health Policy Commission ("HPC"), the independent state agency responsible for setting the health care cost growth benchmark and analyzing the impact of health care market transactions on cost, quality and access, has categorized MGB as a "high-cost hospital." In its *2019 Annual Health Care Cost Trends Report*, HPC describes how "payments per major outpatient surgery episode were **nearly twice as high at Massachusetts General Hospital and Brigham and Women's Hospital** as the lowest-paid high-volume hospital." To further illustrate this point, the HPC notes that shifting a hypothetical patient from an inpatient to outpatient setting should result in "roughly 25 percent lower spending; however, shifting a hypothetical patient from the inpatient setting at Good Samaritan to an outpatient setting affiliated with Brigham and Women's Hospital would result in a **spending increase of 37 percent."** Moreover, the Center for Health Information and Analysis ("CHIA") recently reported spending on health care in Massachusetts hit $64.1 billion in 2019, a 4.3 percent increase that exceeded the state's cost control target and was driven by growth related to hospital outpatient care.

DoN Factor A.1.(f), requires that the Applicant demonstrate that the Proposed Project compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending. The fact that price per major outpatient surgery episode is nearly twice as high within the MGB system hospitals than other hospitals should, in and of itself, be cause for concern for the Department of Public Health ("DPH"). However, this fact, coupled with CHIA's report that spending in health care – which has now exceeded the state's benchmark for the second year in a row – is being driven by growth in hospital outpatient spending should be cause for alarm when considering the Proposed Project. These facts, clearly and irrefutably demonstrate that MGB's proposed outpatient surgical expansion will only serve to increase health care spending and do not meet the standards of the aforementioned Factor of Approval.

Furthermore, the Department of Public Health (DPH) should investigate claims made at several of the public hearings that MGB, as a matter of protocol, routinely re-scans patients that have had advanced imaging studies performed outside of their system. If true, this protocol preference is needlessly contributing to patients and payers, including the Commonwealth's Medicaid program, paying twice for the same procedure, albeit at a much higher price. Additionally, MGB should explain and address how health outcomes are impacted if, as claimed by an MGB radiologist at several public hearings, MGB permits patients to wait several weeks to 6 months to have critical imaging at MGB as opposed to utilizing other imaging resources that are readily available in the community at lower prices.

DoN Factor A.2. (a), requires the Applicant to demonstrate that the Proposed Project will meaningfully contribute to improved public health outcomes. However, as evidenced by the enclosed PSA Poverty Map, the geographies targeted by MGB's expansion are high-income communities with large numbers of commercially insured patients. If approved, MGB will direct commercially insured patients away from community and safety net providers diminishing a critical source of revenue and undermining the ability of local providers to deliver care to their communities and further exacerbates health inequities in the region.

Community providers such as, Melrose Wakefield Hospital, Winchester Hospital, Metro West Hospital, Marlborough Hospital and Norwood Hospital provide disproportionate care to low-income communities and communities of color. They are reimbursed at rates far lower than the actual cost of care and rely on commercially insured patients as a critical source of revenue to deliver care to people regardless of means, gender, race or ethnicity. Attorney General Maura Healey in her *Building Toward Racial Justice and Equity in Health: A Call to Action* notes, "persistent reliance on cross-subsidization between commercially insured and publicly insured patients to fund the health care delivery system has prevented providers who serve low-income communities and communities of color from thriving for years." The report goes on to state that "allowing larger and wealthier health systems to obtain higher payment rates and more favorable contract provisions…further disadvantages providers offering low-cost, high-value care to underserved communities."

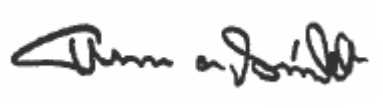
MGB claims it intends only to serve its existing patient panel, however, Senior Leadership has stated otherwise. In a 2020 presentation to JP Morgan, MGB describes one of the goals of its ambulatory expansion as to "increase network lives and secondary & tertiary commercial referral volume." This

admission, makes clear that MGB's strategy is predicated on growing its commercially insured base – already the highest in the Commonwealth – to the detriment of community and safety net providers. MGB fails to demonstrate improved health outcomes beyond its own patient panel as required by DoN Factor A.2. (a), and the DoN Application guidelines that explicitly state Applicants should "address health more broadly – that is, beyond the patient panel."

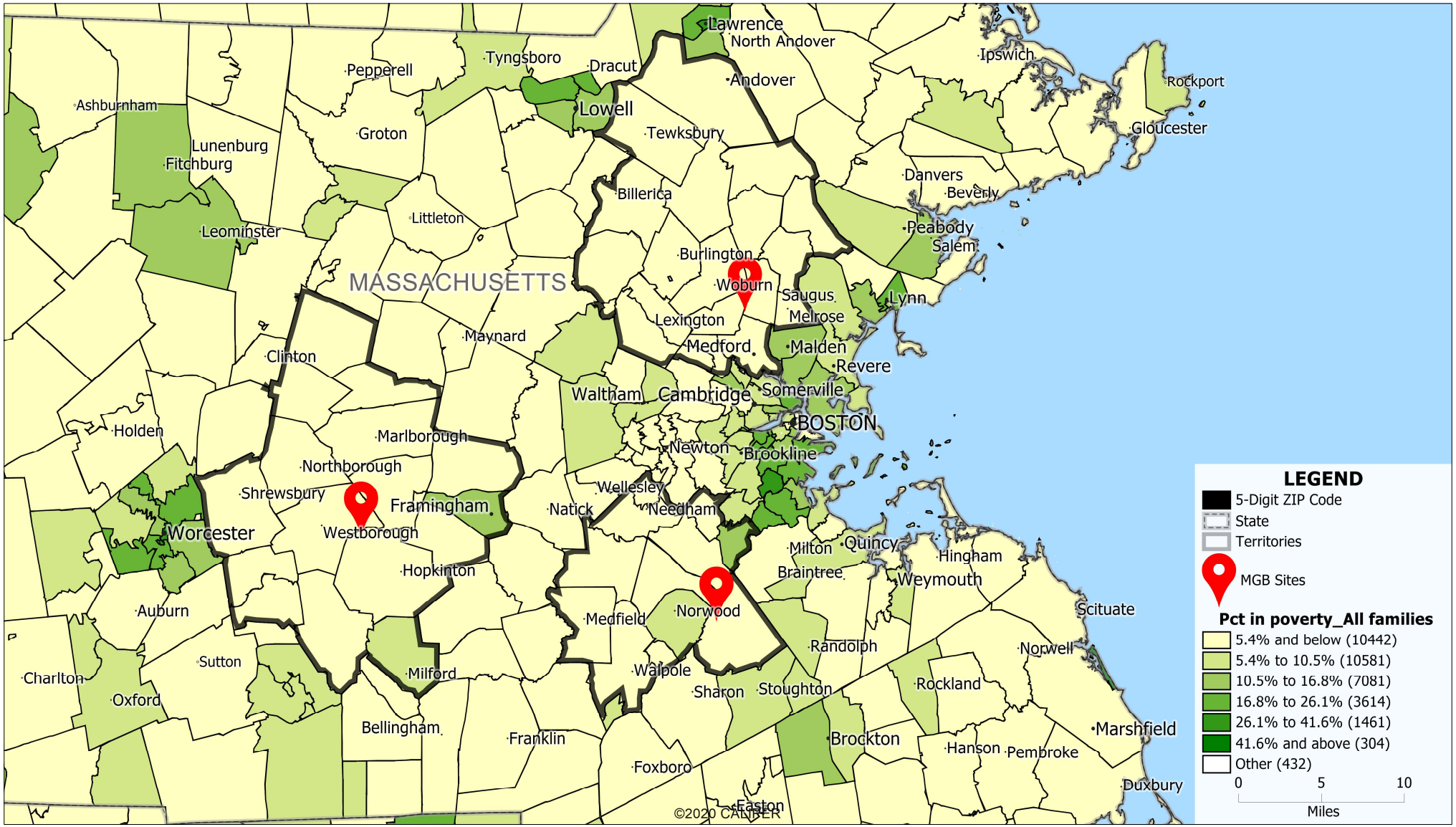
We support the Commissioner of the Department of Public Health, Monica Bharel's decision to require an Independent Cost Analysis (ICA) for MGB's community expansion plans as well as the proposed expansions at its main campus and Faulkner Hospital, which appear contrary to the stated intent of its community expansion plans. In order to provide a comprehensive assessment on cost, quality and access of this Proposed Project, we respectfully request the Commissioner direct the Health Policy Commission conduct the ICA. One of the key goals of Chapter 224, An Act Improving The Quality Of Health Care And Reducing Costs Through Increased Transparency, Efficiency and Innovation, was to scrutinize health care market power, price variation and cost growth at individual health care entities through the creation and authority vested in the HPC. This unprecedented expansion, proposed by the highest priced provider in the Commonwealth, warrants a thorough vetting by the HPC in the form of an Independent Cost Analysis.

Thank you in advance for your time and attention. Please do not hesitate to contact me should you have any questions or concerns.

Sincerely,



Thomas A. Shields, CEO
Shields Health Care Group


Lawrence
North Andover
Ipswich
Rockport
Tyngsboro
Dracut
Pepperell
Andover
Ashburnham
Lowell
Gloucester
Groton
Tewksbury
Lunenburg
Fitchburg
Danvers
Billerica
Beverly
Littleton
Peabody
Leominster
Salem
Burlington
MASSACHUSETTS
Woburn
Saugus
Lynn
Lexington
Melrose
Maynard
Medford
Malden
Clinton
Revere
Waltham
Cambridge
Somerville
BOSTON
Holden
Marlborough
Newton
Brookline
Northborough
Wellesley
Shrewsbury
Framingham
Natick
Needham
Worcester
Westborough
Milton
Quincy
Hingham
Braintree
Hopkinton
Weymouth
Norwood
Auburn
Scituate
Medfield
Randolph
Norwell
Sutton
Charlton
Milford
Walpole
Rockland
Sharon
Stoughton
Oxford
Bellingham
Franklin
Brockton
Marshfield
Hanson
Pembroke
Foxboro
Duxbury
Easton
©2020 CALIPER
LEGEND
5-Digit ZIP Code
State
Territories
MGB Sites
Pct in poverty_All families
5.4% and below (10442)
5.4% to 10.5% (10581)
10.5% to 16.8% (7081)
16.8% to 26.1% (3614)
26.1% to 41.6% (1461)
41.6% and above (304)
Other (432)
0
5
10
Miles

From:	Steve Bird
To:	DPH-DL - DoN Program
Subject:	Testimony - Mass General Brigham Incorporated – Multisite - 21012113-AS
Date:	Wednesday, April 14, 2021 10:33:07 AM

Dear Mass DPH,

The proposed expansion of Mass General-Brigham to the western suburbs is yet another attempt at MGB to exert their considerable influence at the expense of everyone (business and the under-served public) else.

Their care costs more. Their outcomes are the same. They are simply trying to provide more expensive care to people who have insurance. That will leave others to care for the underserved/underinsured/most vulnerable. This proposal is good for no one, except MGB.

Steve Bird

REGIONAL ENVIRONMENTAL COUNCIL
OF CENTRAL MASSACHUSETTS
P.O. Box 255, Worcester, MA 01613

April 16, 2021

Lara Szent-Gyorgyi
Director, Determination of Need Program
MA Dept. of Public Health
250 Washington St
Boston, MA 02108

Dear Ms. Szent-Gyorgyi:

I am writing on behalf of the Regional Environmental Council of Central MA (REC) regarding the proposed expansion of Mass General Brigham (MGB) and MGB's intent to establish outpatient centers in Woburn, Westwood, and Westborough. This expansion is ill-advised and will ultimately have a detrimental impact on healthcare and health equity in the region.

Incorporated in 1972, the REC is a community-based environmental and food justice organization located in Worcester, Massachusetts. The REC has been deeply involved in organizing and advocacy around environmental health equity in Central Massachusetts for decades—ranging from childhood lead poisoning prevention to community food security.

We believe that MGB's expansion into Woburn, Westborough, and Westwood is likely to worsen existing health disparities in the region. MGB will draw privately insured patients away from local providers who rely on commercially insured patients to subsidize uninsured patients and those who are insured by public programs like Medicare and Medicaid.

If these local providers lose enough privately insured patients to MGB, it will negatively impact their ability to continue to provide quality care to those patients who rely on public health programs or who are uninsured, resulting in reduced care for our communities' most vulnerable.

We respectfully request that MGB's outpatient expansion plans be reconsidered. Additionally, we ask that the Department of Public Health require the applicant to hold another public hearing on this application. The times of day that the initial hearings were held made it inaccessible for many interested parties to share their concerns. To accurately understand the impact of this proposal, we also suggest that the additional public hearing be scheduled to take place after the independent cost analysis has been conducted.

Thank you for your consideration.

Sincerely,

Steven Fischer
Executive Director

UMassMemorial

One Biotech Park
365 Plantation Street
Worcester, MA 01605-2376
[redacted]
Fax: 508-334-0404
E-mail: douglas.brown@umassmemorial.org
www.umassmemorial.org

Douglas S. Brown
President, UMass Memorial Community Hospitals, Inc.
Chief Administrative Officer, UMass Memorial Health Care

April 16, 2021

VIA EMAIL DPH.DON@State.MA.US

Lara Szent-Gyorgyi
Director, Determination of Need Program
Massachusetts Department of Public Health
250 Washington Street, 6th Floor
Boston, MA 02108

RE: Determination of Need ("DoN") Application Project #21012113-AS (the "Application") – Proposed $223,724,658 Multi-Site DoN for Three New Ambulatory Sites located in Westborough, Westwood & Woburn, each including a Freestanding Ambulatory Surgery Center with Four Operating Rooms, Physician Services and Imaging Services (CTs and MRIs) (the "proposed projects") – Additional Comments of UMass Memorial TTG

Dear Ms. Szent-Gyorgyi:

On behalf of the UMass Memorial TTG, this letter supplements our prior public comments included in the TTG registration filing dated February 18, 2021, and in the written comments submitted March 12 and March 15, 2021 regarding the Mass General Brigham Incorporated ("MGB") proposed projects:

The Application is Incomplete & Review Should be Contingent on Developing State Policy

As a threshold matter, it is important to note again that the pre-conditions for a proper review of this Application by the Department are not in place at this time. As described in our prior comments, the Application as submitted cannot be deemed in technical compliance with the DoN regulations due to the lack of required Primary Service Area subregulatory guidelines.

Moreover, since this Application is part of the largest proposed DoN expenditure by the most dominant health care system in the Commonwealth, and is the first extensive application under the recent DoN Consolidation Guideline (i.e. involving multiple facilities under a single license), with projects that cross traditional regional markets to reach statewide, the lack of the State Health Plan mandated by Chapter 224 of the Acts of 2012 to inform the Department's review is of serious concern. The purpose of a state health plan is to help ensure a rational and equitable distribution of health care resources to ensure universal access to high quality and cost-effective care, while avoiding costly duplication of services and unfair competition. The Application raises concerns as to consistency with these policy goals, as further described below.

Significantly, pursuant to Chapter 260 of the Acts of 2020 ("An Act promoting a resilient health care system that puts patients first", effective January 1, 2021), the Massachusetts Health Policy Commission (HPC), together with CHIA is in the process of developing a health care system resource plan, and analyzing the essential elements of a robust health care system, similar to the State Health Plan mandated in 2012[1]. At the HPC's board meeting on April 14, 2021, HPC staff and several commissioners raised significant concerns regarding this Application together with the Applicant's other two pending Boston campus DoN applications. The HPC's Market Oversight and Review committee is in the midst of an in-depth analysis similar to a Cost Market Impact Review and the HPC intends to submit comments to the Department after reviewing the Independent Cost Analysis (ICA) that is currently being commissioned. By the time the draft ICA is released for public comments, the HPC's Chapter 260 efforts should be close to fruition.

DPH cannot and should not make any final determinations on a project of this scope and impact without the benefit of completion of the HPC's Chapter 260 efforts, a State Health Plan and DPH's own subregulatory guidelines. We ask that the Department stay its review of the Application until all of this necessary work is completed so DoN staff, as well as the HPC, the Office of the Attorney General and other Parties of Record, can effectively evaluate the potential impact and consequences of the proposed restructuring of the Commonwealth's ambulatory care infrastructure. Such objective guidelines, developed through a public process responsive to the statutory mandate and accountable to the people of the Commonwealth, is a necessary predicate to any meaningful review.

There is an additional element lacking in the Application which precludes meaningful analysis and evaluation at this time. MGB elected to not include baseline data estimates for its specific proposed services on the basis that these would be new provider clinics. The applicant should be able to provide reasonable projections of this information in light of the size and capital spend of the three ambulatory sites and the comparable ambulatory services at their existing hospital locations.[2] In this context, the Applicant can clarify whether its intent is to primarily serve its existing patient panel (as it asserts in public testimony and communications with DPH) or to

[1] Pursuant to Chapter 260, the HPC is also charged with reviewing the effects of the pandemic on the health care delivery system, including on accessibility, quality, and the cost of health care services and the financial position of health care providers, as well as an examination of health care disparities and the impact of essential service closures. In addition, at the same time, the AG, State Office of Health Equity, the CDC and CMS are all taking new steps to measure, analyze and address social vulnerability and health equity, which will further inform health planning efforts.

[2] More specifically, MGB should be able to provide (i) objective data on the average number of visits to be expected per subspecialty for the projected patient panel and (ii) objective data on the number of visits a facility of this size is capable of accommodating for each subspecialty if used efficiently (i.e., irrespective of patient panel size).

"increase network lives and secondary & tertiary commercial referral volume" (as it states in its presentations to the investor community)[3].

A stay of the review of the Application will ensure that the interests of the residents of the Commonwealth are protected and will not harm the Applicant which has not identified any existing urgent or time sensitive need for the Project. As we have testified, the proposed projects are not filling a gap in access to care since the proposed project service areas have good access to multiple high quality and lower cost providers.[4]

As noted in the public testimony for the Westborough site, this Application presents the Department with the fundamental question whether the Commonwealth's Health Plan – including critical decisions regarding *who* has access to care and at what cost – will come out of the MGB corporate offices in Assembly Square and the Prudential Building or from the Commonwealth's regulatory agencies which are ultimately accountable to the people of the state. A decision by the DoN office to permit MGB to proceed with the proposed projects will permanently and irreversibly transfer decision making regarding the future of health care in Massachusetts from public agencies to the corporate offices of a single powerful, dominant corporate system.

UMass Memorial Analytics

Since the date of our prior submissions, UMass Memorial has had the opportunity to undertake additional analysis of the Application and its potential impacts on the health care system generally, as well as in Central Massachusetts, and in the Westborough area in particular. Our review is based on publicly reported data which we have summarized for the Department's review in the format of a slide presentation with detailed appendix (attached as **Exhibit A** hereto). The presentation provides further support for our prior written comments and public testimony from the Westborough hearing.

As the attached data demonstrate, MGB's proposed projects may be fairly characterized as follows:

- MGB, the highest cost health care provider that already is overwhelmingly dominant in the Massachusetts market is proposing a mega-multi-billion-dollar investment which will not meaningfully improve access while worsening existing health disparities and increasing total medical expenses for the state.

[3] MGB Presentation at the J.P. Morgan Healthcare Conference, January 13, 2020. Available at: https://emma.msrb.org/IssueView/Details/ES392289

[4] For example, MGB's CHNA data submitted with the Application demonstrates that respondents in the Westborough region identified existing "Accessible Medical Services" as the #2 "Strength of the Community" (after education and schooling); "One of our strengths is that we're centrally located. We have access to medical facilities all over the place. It's a 40-minute shot to Boston; a 10-minute shot up to UMASS trauma. No matter what people need it's not too far."

- There is no real need or service gap identified as MGB is investing in service areas where other high quality, lower cost alternatives already exist. The HHS Office of the National Coordinator for Health Information Technology (ONC) and Centers for Medicare & Medicaid Services (CMS) interoperability and patient access rules would enable MGB to engage in cost effective collaboration and coordination with existing providers to achieve the stated goals of the proposed projects without the new costly and duplicative infrastructure. Ultimately, however, the proposed project is not about improved coordination of care and lowering costs but about MGB capturing additional commercial volume both at the new ambulatory locations and for its system hospitals.[5]

- MGB is leveraging its market dominance to cross traditional geographic boundaries in a predatory manner that will destabilize safety net and community providers[6]. The proposed projects will lead to cross market price effects due to MGB's increased leverage in statewide payer contracts.

- MGB has strategically located each of the three proposed ambulatory facilities in predominantly white[7], upper income areas with high rates of commercial insurance, low social vulnerability index and low rates of family poverty[8]. The racial and ethnic demographics of both the regions targeted by MGB and MGB's existing patient panels, as reflected in the MGB Application, reflect these disparities. [9]

---

[5] MGB Presentation at the J.P. Morgan Healthcare Conference, January 13, 2020. Available at: https://emma.msrb.org/IssueView/Details/ES392289

[6] The data from MGB's Foxborough location and impact on the local Sturdy Memorial Hospital is illustrative of the impact of MGB's cherry picking of inpatient commercial volume. See Appendix A.

[7] When we raise concerns about the impact of the proposed project on racial disparities, we do so recognizing that Westborough has a significant Asian community and that anti-Asian bias is widespread. At the same time, the COVID public health crisis has highlighted specific and devastating health disparities impacting the Latino/Hispanic, Black/African American and American Indian residents of our Commonwealth and nation. MGB's corporate expansion plans do nothing to address these disparities but instead reflect, perpetuate and deepen them by prioritizing investment in communities where relatively few Black, Latino and American Indian residents live.

[8] The lack of public transportation access to the Westborough location will significantly limit access for residents of the towns of Framingham and Milford where there are higher numbers of low income and MassHealth patients.

[9] We recognize that there are many committed and talented people within MGB working on issues of diversity, equity and inclusion and that MGB has stated that it intends to bring "DEI programming" to the new locations. The equity concerns raised here are not about individuals or programs, but about the structural and institutional inequity resulting from a corporate decision by the Commonwealth's largest and wealthiest health care system to invest billions in affluent, predominantly white communities that already have good access to health care when other communities lack such access.

- MGB claims that its large risk-based contracts necessitate their being able to provide ambulatory care to their patients in multiple local, integrated settings to promote optimal population health management. The reality of MGB's strategy is to manage risk through cherry picking and focusing on managing the care of a healthier, less vulnerable populations. MGB is effectively avoiding high risk populations (high Social Vulnerability Index communities with complex social determinants of health) and transferring this risk to safety net and local community providers who lack access to the financial resources of MGB to assume such risk. Ultimately, MGB's cherry picking strategy will set back the Commonwealth's goal of moving more care to a risk-based reimbursement model.

- While MGB's proposed projects, consistent with its overall payor mix strategy[10], are designed to skim commercial patients from the targeted regions, MGB patients will still rely on local emergency department care and other community services supported by the local safety net systems. This reality was reflected in the public testimony of MGB patients during the Westborough public hearing who advocated for the new ambulatory sites while acknowledging that they still planned to use local hospitals for emergency room care.

- In the context of the DPH DoN public hearings, MGB emphasized that the proposed projects are designed to serve and increase convenience for existing MGB patients who are currently traveling to MGB Boston and hospital-based sites. However, MGB's communications to the investment community as reflected in its January 2020 J.P. Morgan presentation makes it clear that its true intent is "increasing network lives and secondary & tertiary commercial referral volume." MGB is not closing its Boston or hospital-based capacity as it expands its ambulatory capacity but, to the contrary, is in fact expanding that capacity. The purported cost savings MGB argues will be produced are illusory if MGB backfills any freed capacity from patients within its panel who shift their care to Westborough and the other two new ambulatory sites; and the state's total medical expenses will sky rocket further as it "increase[s] network lives" and "commercial referral volume" to its high cost, expanding hospitals as it has promised to the investor community. MGB's commercial expansion strategy ensures the EBIDA margin increase MGB has promised investors necessary to achieve the projected rate of return on their tax-exempt bonds ($252M between 2021 and 2025)[11].

[10] Only 12% of MGB's total inpatient payor mix is Medicaid compared to 25% for UMass Memorial Health Care, and in Central Mass, MGB's Medicaid payer mix is only 9%.

[11] MGB's external audit review ("Analysis of the Reasonableness of Assumptions Used For and Feasibility of Projected Financials of Mass General Brigham Incorporated For the Years Ending September 30, 2021 Through September 30, 2025", included as Attachment 5 of the Application) concluded that MGB reasonably estimated projected EBIDA margins of $1,084,754 in 2021 and $1,337,532 in 2025 (both $s in thousands), which represents an improved EBIDA margin over this time period of $252M.

- The expected and intended impact of MGB's proposed ambulatory expansion, already seen most recently in Foxborough, will be that lucrative commercially insured patients will be cherry-picked away from vulnerable high public payer and community hospital providers who depend on cross subsidization to offset inadequate Medicare and Medicaid reimbursement. When the tipping point is reached, MGB's actions will have jeopardized the ability of these hospitals to operate as full-service providers, offering essential but money-losing services to their vulnerable communities. This dynamic will threaten the viability of these institutions, reducing access to vital emergency department services, and ultimately impairing safety net and community hospitals' ability to invest in their facilities and communities for the long term.

- Over time this cycle will only intensify existing disparities in access to care and destabilize the Commonwealth's health care delivery system, creating a two-tiered system of haves and have-nots with deep inequities based on income, race and ethnicity.

- Meanwhile, the Commonwealth's health care costs will increase as care is shifted to higher cost providers[12].

In sum, as regulators have limited MGB's efforts to expand its hospital system through acquisitions, it is hoping to establish local beachheads to aggressively grow market share through a strategic focus on lucrative procedures and commercially insured populations and the garnering of secondary and tertiary commercial referrals to its costly and expanding Boston campuses -- all while relying on local and safety net providers to continue to shoulder the financial burden of operating emergency departments and other money-losing service lines and serving MassHealth patients on a shrinking commercial pay base. In order to remain financially viable, the safety net providers and local community hospitals will need to seek higher reimbursement rates from commercial payors for their remaining commercial volume to attempt to subsidize the losses on their increasing percentage of public payor patients.

The information we have assembled demonstrates that the proposed projects are likely to (1) be detrimental to health equity and Medicaid access rather than reducing health disparities and addressing the social determinants of health; (2) significantly raise health care costs systemwide due to the likely shift in care for commercially insured patients to higher cost MGB providers and the resulting pressure on safety net and community hospital providers to increase commercial rates for their shrinking commercial base to subsidize losses on their growing proportion of public payor patients; and (3) result in the lack of level playing field which will disadvantage and destabilize already struggling safety net and community hospitals and as a result reduce access to high quality, lower cost care. Healthy competition strengthens providers but unfair competition such as is proposed creates market disfunction which ultimately reduces

[12] MGB's proposed Westborough outpatient services will still be more costly than existing outpatient services in the area. Even Marlborough Hospital's inpatient care of the same type is less costly than MGB's outpatient procedures.

access to vulnerable classes of patients. This is not an Application that will lead to the fair competition and equitable access to lower cost health care resources that the DoN program is statutorily required to ensure.

For all these reasons, we ask that the Department stay its review of the Application until the state has the requisite information, policies and procedures in place to undertake a thorough and meaningful review of an application of this magnitude and import, taking into account the latest information and policy initiatives regarding health equity and COVID's financial and SDoH impacts. Based simply on the facts we now have before us, however, there is no basis to approve this Application.

Sincerely,

Douglas S. Brown

Cc: Katharine Eshghi

Jennifer Gallop

Exhibit A

UMass Memorial Health Care:

MGB Expansion -
Cost, Access, Health Inequities &
Destabilization of Massachusetts Health Care

See attached.

3782\0001\701098.7

MGB Expansion

Cost, Access, Health Inequities &

Destabilization of Massachusetts Health Care

UMass Memorial Health Care

Best Place to Give Care - Best Place to Get Care

UMass Memorial – Community Healthlink
UMass Memorial HealthAlliance-Clinton Hospital
UMass Memorial – Marlborough Hospital
UMass Memorial Medical Center
UMass Memorial Medical Group
UMass Memorial Accountable Care Organization, Inc.

Everyone, Everyday.

UMassMemorial Health Care | University of Massachusetts Medical School

Overview

- **Unfair Competition – Not a level playing field**
- **Mass General – Brigham (MGB) Proposed Expansion is Massive: $2.4B**
- **Massive spending by Highest Cost System will increase costs of care**
  - Their theory of case is flawed: this is about growth, NOT servicing existing patients; even if it were to treat existing patients, they are not reducing costs elsewhere – they are dramatically adding beds to backfill!
  - MGB is by far the highest cost system in state
  - There is no need for these services - residents report wide access to care
- **This Unprecedented Expansion will Exacerbate Health Inequities**
  - The populations targeted for growth are mostly wealthy and white
  - There is no public transportation and little to no access for Black and Latino/Hispanic populations, Medicaid members and low-income individuals
  - MGB's skimming commercial volume will destabilize safety net providers
- **This is Precisely what AGO and HPC Has Warned about for years**
  - This will irreversibly change Massachusetts' health care landscape leading to two tiers of health care: one for haves and one for have nots

The Proposed Plan by MGB Will Dramatically Increase Costs

The Proposed Plan by MGB

- $2.4 Billion expansion via 2 massive inpatient projects and 4 large outpatient clinics (including the Salem, NH clinic)
  - MGB and their bond holders **will** want a return on their investment
    - MGB estimates an improved EBIDA margin of $252M between 2021 and 2025
  - MGB is proposing to spend **2.4 times** UMMHC's FY20 total net assets or **23%** of MGB total net assets
  - MGB's FY20 total net assets were $10.6B; this was **3.5 times** that of BI-Lahey's $3.1B and **10 times** that of UMMHC's $1.1B

Westborough Location

- **62,000 square feet ($76M)**; Intersection of Routes 9 & 495
- Same size as proposed Woburn clinic, even though:
  - Woburn patient population is **1.6** times the size of Westborough
  - MGB Woburn patient panel is **2.4** times the size of Westborough
  - MGB Woburn physician visits are projected to be **3.1** times the number at Westborough
- **Mini hospital – imaging, surgery, 11 subspecialties, primary care, behavioral health, etc.**
- **Plan to grow patient panel and "Bridge to" the MGB hospitals**
  - MGB's J.P. Morgan presentation stated: MGB's "Expansion of outpatient services in regional network" is to "increase network lives and secondary and tertiary **commercial** referral volume"

Pricing varies depending on the insurer
(Hospital CHIA reported: BCBS, HPHC, Fallon, and Tufts)
(Physician CHIA reported: BCBS, HPHC, and Fallon)

Impact on Statewide Cost

- **"As more outpatient procedures shift to MGB hospitals, costs overall go up."**
  Commonwealth Magazine, regarding findings of the Health Policy Commission, Jan. 2020
- **MGB is the highest cost system in MA:**
  - **Physician pricing** ranges from **14% to 59% higher** than UMass Memorial Health Care
  - **Hospital pricing** range from **14% to 332% higher** than Marlborough Hospital:
    - Inpatient pricing ranges from **24% to 332% higher**
    - Outpatient pricing ranges from **14% to 105% higher**; (Newton-Wellesley's Fallon relative pricing is lower than Marlborough by 17%)
- **MGB's inpatient referrals for specialized care cost more than local providers:**
  - 6 academic medical centers (AMCs) provide the most complex care in MA
  - CHIA reported Mass General and Brigham as having the highest relative IP price of all AMCs **not factoring** in higher physician pricing
  - UMass Memorial Medical Center has one the lowest IP and physician costs
- **MGB is not proposing to close or reduce services at MGB hospitals that currently provide care to patient panels of Westborough, Woburn, and Westwood**
- Why has MGB not proposed non-hospital based ASCs and office practices in the Boston area if they truly intend to lower cost to MA residents?

What is the Service Gap MGB Intends to Fill?

- MGB's Westborough site is surrounded by communities with low Social Vulnerability Index and sufficient access to health care services
- Not located near any mode of public transportation
- MGB conducted a Community Health Needs Assessment survey in Westborough region which it included in the application, but the CHNA and the application are contradictory
- Given 17 options to choose from as "Strengths of their Community"
  - The **#2 most cited strength was Accessible Medical Services** (selected by almost 70% surveyed)

***One respondent stated*:**

"One of our strengths is that we're centrally located. We have access to medical facilities all over the place. It's a 40-minute shot to Boston; a 10-minute shot up to UMASS trauma. No matter what people need it's not too far."

Social Vulnerability Index

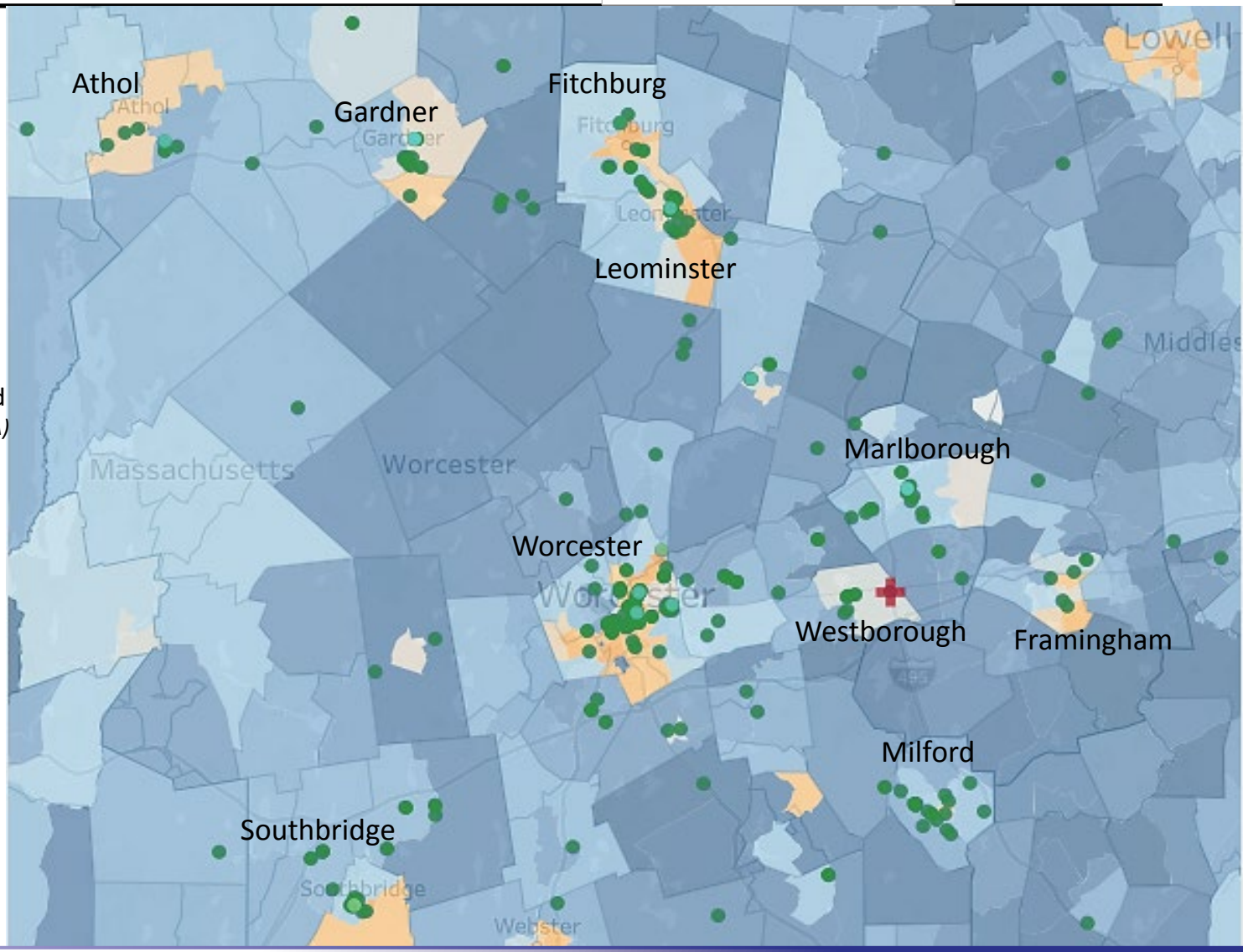
Data sources: Census 2019 ACS 5 Year Estimates; CDC SVI Data; UMMHC Salesforce

Low Vulnerability — SVI Percentile (0% – 75% 100%) — **High Vulnerability**

- UMMHC sites are mostly in areas with:
  - **High Social Vulnerability Index (SVI)** *(>75%)*
  - Low Life Expectancy *(<78.7 yrs.- US)*
  - Low Median HH Income *(<$81,215 dollars - MA)*
  - High % population covered by Medicaid Insurance *(>24% - MA)*
- The MGB proposed site is surrounded by healthier and wealthier communities

MGB Proposed Site

UMass Sites/Affiliations



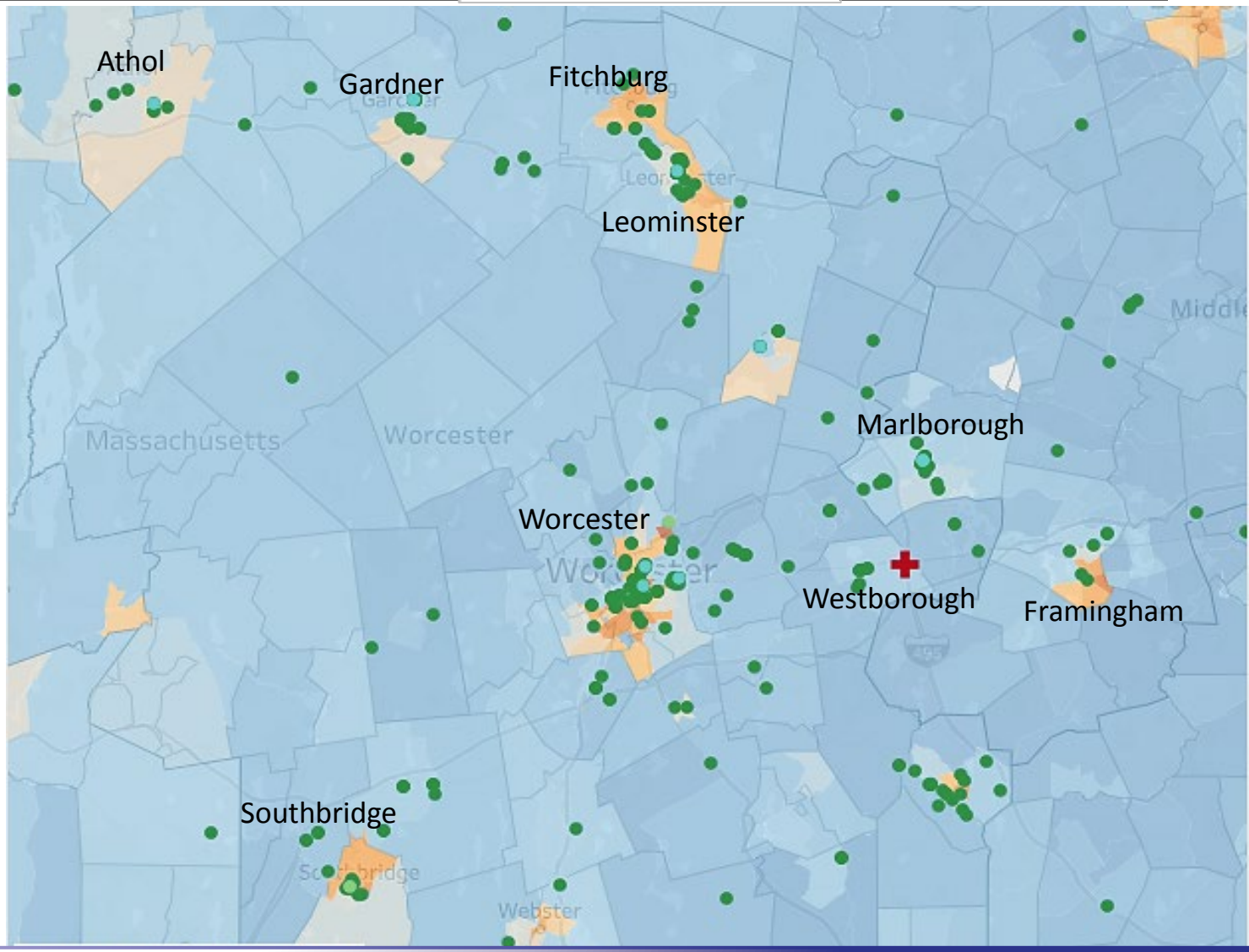
Medicaid Coverage (%)

Data sources: Census 2019 ACS 5 Year Estimates; CDC SVI Data; UMMHC Salesforce

- UMMHC sites are mostly in areas with:
  - High Social Vulnerability Index (SVI) *(>75%)*
  - Low Life Expectancy *(<78.7 yrs.- US)*
  - Low Median HH Income *(<$81,215 dollars - MA)*
  - **High % population covered by Medicaid Insurance** *(>24% - MA)*
- The MGB proposed site is surrounded by healthier and wealthier communities.

MGB Proposed Site

UMass Sites/Affiliations



The Proposed Plan Will Greatly Exacerbate Health Inequities

Impact on Community & Health Equity

- Most communities targeted by MGB in Westborough, Woburn, and Westwood have median incomes in the top 20% of the state along with a high percentage commercially insured population
- The Westborough location is in a community with a low percentage of MassHealth patients and it is inaccessible by public transportation, while easily accessible for higher income, commercially insured patients with access to private vehicles
- **MGB has 2.8 times the licensed beds of UMMHC, but only 1.5 times the Medicaid discharges**
  - MGB serves a large portion of total statewide MassHealth inpatients (18%) simply because of the overwhelmingly dominant size of their system
    - MGB's FY19 inpatient Medicaid market share was 13.1%
    - Inpatient Medicaid as % of total payor mix: MGB 12% compared to 25% for UMMHC
    - Proportionate to its size MGB underserves MassHealth patients

Family Poverty Percentage by Town for MGB's 3 Ambulatory Sites

Out of the 3 proposed ambulatory sites only 2 towns in Westborough and Westwood service area have family poverty percentages greater than 5.4%

Impact on Community & Health Equity Con't: MGB's Cherry Picking Commercial Volume Will Destabilize Safety Net Providers

- Approximately 80% or more of primary and secondary town residents rely on local community hospitals for the inpatient and emergency room care
  - Any destabilization of the market could impact future access and require patients to travel greater distances for urgent and emergent care
- MGB needs a high level of commercial patients to support its $2.4B investment; especially their $76M investment in Westborough location
- MGB argues new locations necessary to support innovation and risk-based contracting
  - ONC Interoperability rules ensure providers can coordinate care with other providers without needing to build expensive new duplicative infrastructure
  - MGB's risk based contracting strategy appears to be based on targeting populations in areas such as Westborough region with low Social Vulnerability Index and fewer SDOH challenges; cherry-picking leaves other providers less able to bear risk on remaining population

Impact on Community & Health Equity Con't: MGB's Cherry Picking Commercial Volume Will Destabilize Safety Net Providers

- Cherry picking of commercial patients from safety net providers will destabilize safety net providers and the care provided to low-income patients
  - MGB's Foxborough location has led to more commercial inpatients referrals to MGB facilities while local competitors have had to support the needs of local Medicaid patients
    - Between FY16 and FY19 MGB grew their IP commercial discharges by **498** even though the overall commercial market grew by **149** discharges
    - MGB experienced a decrease in Medicaid discharges of **242** between FY16 and FY19; This occurred in a relatively **flat** Medicaid market

MGB's Proposed Project will Exacerbate Existing Racial/Ethnic Disparities

MGB asserts Westborough expansion is to serve their existing patients

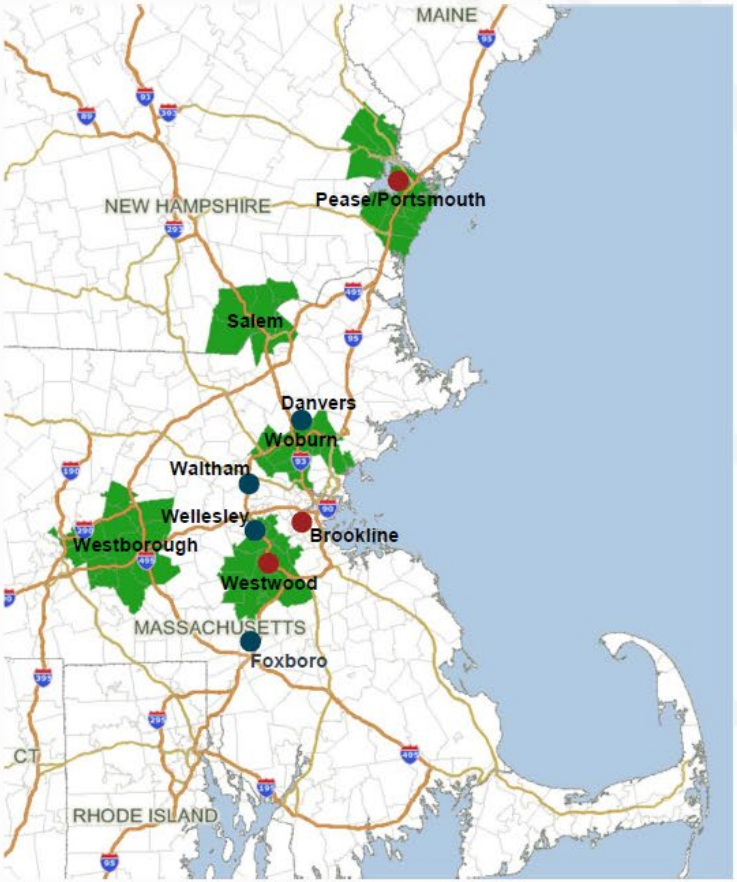
	Westborough	Worcester City	Massachusetts	MGB Panel per DoN Application
Black/African American	1.9 %	13.3%	9.0%	3.0%
Latino/Hispanic	1.4%	21.9%	12.4%	0.0%
American Indian/Alaska Native	0.6%	0.6%	0.5%	0.0%
Asian	25.0%	7.4%	7.2%	6.0%
White non-Hispanic	65.0%	55.2%	71.1%	81.0%

MGB's Westborough Patient Panel Is Reflective of Existing Disparities Not Demographics of Purported Service Area

- Westborough's patient panel has the highest percentage of White only at 81%; Woburn and Westwood are 79% and 75% respectively

	Towns Located Near Westborough Location													
Racial Grouping	Westborough	Shrewsbury	Northborough	Southborough	Grafton	Marlborough	Hopkinton	Upton	Hudson	Framingham City	Ashland	Bolton	Berlin	MGB's Westborough Patient Panel Results
White alone, percent	69.90%	72.90%	84.10%	81.70%	N/A	75.20%	84.00%	82.20%	93.90%	69.50%	82.60%	93.20%	N/A	81%
Black or African American alone, percent	1.90%	3.00%	3.20%	0.70%	N/A	3.80%	1.90%	7.60%	1.30%	7.30%	2.20%	0.30%	N/A	3%
Hispanic or Latino, percent	6.20%	4.80%	2.70%	3.90%	N/A	15.10%	3.20%	3.60%	7.00%	16.10%	7.00%	1.40%	N/A	0%
Native Hawaiian and Other Pacific Islander alone, percent	0.00%	0.00%	0.10%	0.00%	N/A	0.10%	0.00%	0.00%	0.00%	0.10%	0.00%	0.00%	N/A	10%
Asian alone, percent	25.00%	19.10%	9.20%	14.40%	N/A	5.50%	11.40%	2.90%	2.90%	7.90%	11.30%	4.20%	N/A	6%
American Indian and Alaska Native alone, percent	0.60%	0.20%	0.30%	0.00%	N/A	0.10%	0.10%	0.00%	0.00%	0.50%	0.20%	0.00%	N/A	0%

Expansion of Outpatient Services in Regional Network



GOALS

- Offer wide array of multi-specialty lower cost ambulatory services
- Enable better access for patients closer to where they live
- Enhance ambulatory experience with efficient patient flow and space design
- Increase network lives and secondary & tertiary commercial referral volume

ACTIVITY

- Plans underway for 3 new sites and expansion of 2 sites

We are at a Tipping Point: The Proposed Plan Will Irreversibly Change Health Care in the Commonwealth as We Know it and Lead to Two Systems of Care

MGB Statewide Market Dominance

- **#1** in hospital system net patient service revenue **($7.3B)**; almost **3X** the revenue of the next largest healthcare system and **3.6X** the size of UMMHC
- MGB physician group ranks **#1** in total revenue and total margin ($2.7B in revenue and a positive 2.7% margin); almost **3X** the NPSR of the next largest physician organization
- MGB has submitted over the last 5 years a total of 17 different DoN (3 are currently pending DPH approval); this is the most of any healthcare system in MA
  - Not all projects have been put into full operation yet nor has the full weight of these projects been realized from a TME perspective
- Attorney General stopped MGB from buying any more hospitals in MA due to market dominance and concerns about impact on market competition
  - MGB is now attempting market dominance for ambulatory hospital type of services through non-hospital outpatient facilities
  - **State should not allow through the back door what it prohibited through the front door**
- Allowing this expansion will fundamentally and irreparably change the health care landscape in Massachusetts

Impact on Local Healthcare Institutions

- Marlborough Hospital is a safety net hospital & UMass Memorial is a safety net system (*"High Public Payer"*, per Health Policy Commission)
- MassHealth substantially underpays – typically 60 to 65 cents on the dollar of cost
- Safety net systems must counterbalance these losses with revenue from caring for commercially insured patients
- Local community hospitals have a high dependency on their primary and secondary towns to support their inpatient, ED, and ancillary services
- **Loss of commercially insured patients to MGB will substantially impact the fiscal viability of Marlborough Hospital and potentially destabilize the financial health other community hospitals in the region**
    - **This is especially true as regional providers are trying to recover from the impacts of COVID19**
- Loss of commercial patient referrals to UMass Memorial Medical Center impacts its viability as well

Antitrust/Competition Issues: (1) Cherry Picking

- Recognized harm in ATR economic literature and caselaw
- Dual features: MGB is seeking to steer more lucrative commercial patients away from UMMHC, and local community hospitals to MGB's ASC -- while avoiding the costs of providing the full array of necessary services of safety net or other full services hospitals such as emergency room services
    - MGB will create an uneven playing field and will not compete fairly with UMMHC
- Economic/Antitrust literature: Empirical results demonstrate the harm that results from health system conduct that has the purpose and/or effect of cherry-picking commercial patients from full service hospitals to ASCs and other limited-service hospitals. *(See, e.g., Argue, D., "An Economic Model of Competition Between General Hospitals and Physician-Owned Specialty Facilities," The Antitrust Bulletin, vol. 52 Fall-Winter 2007; Chakravarty, S., "Much ado about nothing? The financial impact of physician-owned specialty hospitals," Int J Health Econ Manag (2016) 16:103–131)*
- Physician-owned specialty hospital/ASC caselaw: Very close analogy. Combating cherry picking is justification for incumbent hospital's conduct to prevent free riding and to level playing field

Antitrust/Competition Issues: (2) Cross-Market Effects

- Opening the Westborough ASC is a predatory exercise of MGB's Boston/statewide market power – MGB will leverage that market power in central Mass to limit competition
- The economic literature shows that cross-market price effects are a legitimate economic concern
  - This theory of competitive harm was recently applied by California AG to support remedies in regulatory review of a nonprofit healthcare hospital merger to ensure the hospitals protect charitable assets by maintaining certain existing levels of healthcare services and charity care
- Several factors increase the risk of cross-market effects here:
  - No question that MGB's flagship hospitals have substantial market power in Boston area, and MGB is the dominant statewide health system
  - MGB is currently the highest price system in Mass for both inpatient and MD services
  - Very likely there are common customers across both areas
  - MGB will increase its leverage in negotiating statewide payor contracts, in turn leverage its market power and ability to cherry pick
- Ultimately, permitting MGB to open this ASC will increase costs to patients, and reduce access for certain classes of patients

Appendix

MGB's Presentation to J.P. Morgan Healthcare Conference

January 13, 2020

Unified System Goals

Rebranding as Mass General Brigham to better demonstrate what we offer patients and build upon our national and international impact

- Substantially broaden the number of patients we reach and improve patient outcomes through existing and new delivery methods (e.g., digital health, ambulatory, multi-specialty centers of excellence)
- Expand our impact by getting more breakthrough ideas and innovations out into the world
- Improve patient access and patient experience
- Reduce the total cost of care, while improving outcomes
- Optimize the use of, and innovate across, the full continuum of care we provide
- Grow existing, and develop new, revenue streams

Source: J.P. Morgan Healthcare Conference (msrb.org)

Expansion of Outpatient Services in Regional Network

GOALS

- Offer wide array of multi-specialty lower cost ambulatory services
- Enable better access for patients closer to where they live
- Enhance ambulatory experience with efficient patient flow and space design
- Increase network lives and secondary & tertiary commercial referral volume

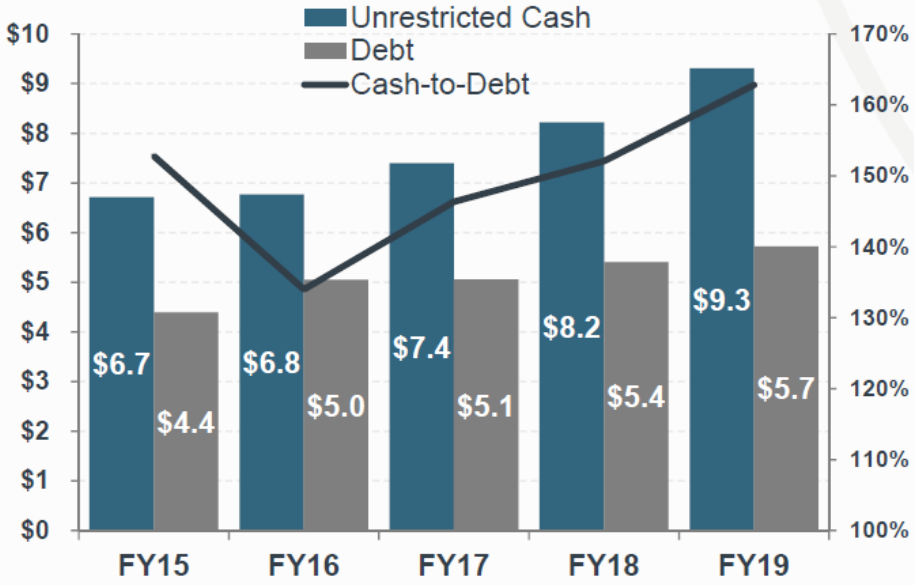
ACTIVITY

- Plans underway for 3 new sites and expansion of 2 sites

Source: J.P. Morgan Healthcare Conference (msrb.org)

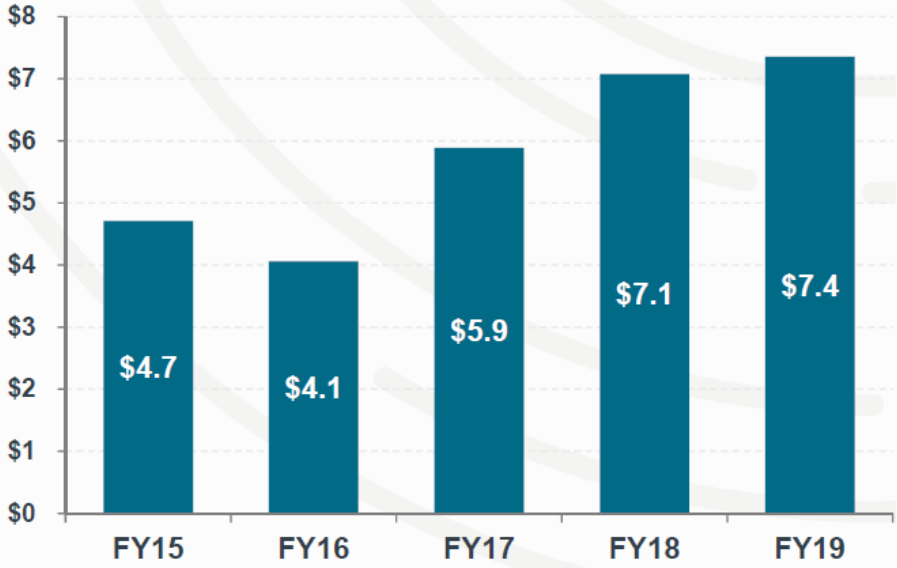
Key Balance Sheet Metrics also Reflect Improving Trends

Unrestricted Cash, Debt and Cash-to-Debt



- Unrestricted Cash increased $2.6B from FY15 to FY19 (8.5% CAGR)
- Debt increased $1.3B from FY15 to FY19 (6.8% CAGR)

Unrestricted Net Assets

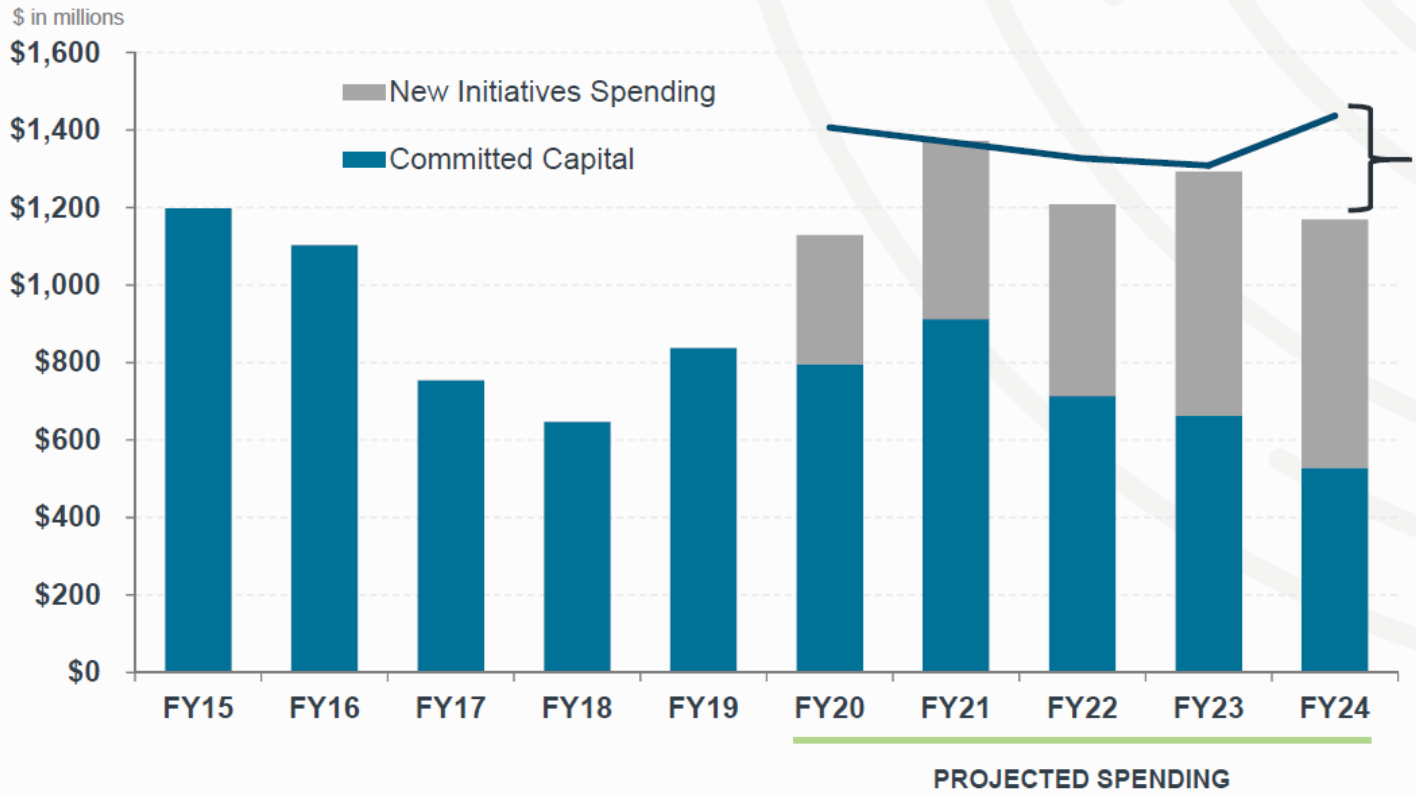


- Unrestricted Net Assets increased $2.7B from FY15 to FY19 (11.8% CAGR)

$ in billions.

Source: J.P. Morgan Healthcare Conference (msrb.org)

FY20-FY24 Capital Spending Capacity: $6.8 Billion



FY20-24 capital capacity exceeds capital requests by ~$675 million, providing flexibility to accelerate future capex plans

*Committed Capital has been approved by Mass General Brigham Finance Committee.

Source: J.P. Morgan Healthcare Conference (msrb.org)

Mass General Brigham Strategic Focus and Key Enablers

- Rebrand system
- Create centers of excellence
- Develop new opportunities for national and international business
- Increase innovation to support commercialization efforts
- Build value-based operating model for primary and secondary care
- Grow commercial insurance business
- Manage total medical expense and risk
- Expand community impact
- Continue to invest in data analytics and digital health
- Physician alignment and retention initiatives addressing compensation and burnout
- Develop and retain high performing talent pool

Source: J.P. Morgan Healthcare Conference (msrb.org)

MGB's FY17 to FY21 Qtr 1 Results Annualized Key Metrics Trended

Source: https://emma.msrb.org/IssueView/Details/ES392289

	Reported Volume					Change				% Change				19 vs 17		21 Annualized vs '17	
	2017	2018	2019	2020	2021 Annualized	2018	2019	2020	2021 Annualized	2018	2019	2020	2021 Annualized	Change	% Change	Change	% Change
Discharges	165,093	168,959	169,199	158,400	161,516	3,866	240	(10,799)	3,116	2.3%	0.1%	-6.4%	2.0%	4,106	2.5%	(3,577)	-2.2%
Discharge Days	862,169	889,474	907,384	877,377	913,932	27,305	17,910	(30,007)	36,555	3.2%	2.0%	-3.3%	4.2%	45,215	5.2%	51,763	6.0%
ALOS	5.22	5.26	5.36	5.54	5.66	0.04	0.10	0.18	0.12	0.8%	1.9%	3.3%	2.2%	0	2.7%	0	8.4%
Births	16,902	17,184	17,159	17,327	15,836	282	(25)	168	(1,491)	1.7%	-0.1%	1.0%	-8.6%	257	1.5%	(1,066)	-6.3%
ATO's	26,964	27,069	27,253	19,998	18,880	105	184	(7,255)	(1,118)	0.4%	0.7%	-26.6%	-5.6%	289	1.1%	(8,084)	-30.0%
ED Observations	10,205	9,343	9,717	14,128	16,988	(862)	374	4,411	2,860	-8.4%	4.0%	45.4%	20.2%	(488)	-4.8%	6,783	66.5%
Day Surgery	69,644	86,032	99,590	81,912	101,556	16,388	13,558	(17,678)	19,644	23.5%	15.8%	-17.8%	24.0%	29,946	43.0%	31,912	45.8%
Ambulatory Visits	1,671,795	1,805,848	1,958,937	1,747,452	1,896,552	134,053	153,089	(211,485)	149,100	8.0%	8.5%	-10.8%	8.5%	287,142	17.2%	224,757	13.4%
ER Visits	404,246	425,761	441,936	375,809	354,428	21,515	16,175	(66,127)	(21,381)	5.3%	3.8%	-15.0%	-5.7%	37,690	9.3%	(49,818)	-12.3%
Procedures	1,528,867	1,648,206	1,696,296	1,341,514	1,594,676	119,339	48,090	(354,782)	253,162	7.8%	2.9%	-20.9%	18.9%	167,429	11.0%	65,809	4.3%
Major Imaging	348,484	400,182	440,689	394,965	466,268	51,698	40,507	(45,724)	71,303	14.8%	10.1%	-10.4%	18.1%	92,205	26.5%	117,784	33.8%
Minor Imaging	1,172,873	1,166,680	1,207,742	977,942	1,187,184	(6,193)	41,062	(229,800)	209,242	-0.5%	3.5%	-19.0%	21.4%	34,869	3.0%	14,311	1.2%
Treatments	921,634	936,453	1,010,794	976,667	1,008,352	14,819	74,341	(34,127)	31,685	1.6%	7.9%	-3.4%	3.2%	89,160	9.7%	86,718	9.4%
Therapies	1,264,221	1,283,143	1,293,762	994,451	1,260,904	18,922	10,619	(299,311)	266,453	1.5%	0.8%	-23.1%	26.8%	29,541	2.3%	(3,317)	-0.3%
Lab Services	9,518,202	9,958,630	10,546,235	9,313,178	11,896,500	440,428	587,605	(1,233,057)	2,583,322	4.6%	5.9%	-11.7%	27.7%	1,028,033	10.8%	2,378,298	25.0%

- MGB reported major increases in volume between FY17 and FY19 for high revenue producing areas such as IP Discharges, day surgery, ambulatory visits, labs, major and minor imaging, and procedures

ATO's represent Pts admitted under OBS and are discharged with 24 hours
Statistics provided are based on YTD 4th quarter results provided in MGB's EMMA quarterly filings

US Census Data Results for Towns Listed in MGB's Westborough Service Area

	Towns Located Near Westborough Location												
	Westborough	Shrewsbury	Northborough	Southborough	Grafton	Marlborough	Hopkinton	Upton	Hudson	Framingham City	Ashland	Bolton	Berlin
Population estimates, July 1, 2019, (V2019)	19,144	38,526	15,109	10,208	18,743	39,597	18,470	8,065	20,663	74,416	17,807	5,426	3,481
White alone, percent	69.90%	72.90%	84.10%	81.70%	79.00%	75.20%	84.00%	82.20%	93.90%	69.50%	82.60%	93.20%	94.70%
Persons 65 years and over, percent	13.70%	16.70%	15.80%	14.70%	13.10%	14.20%	14.10%	14.30%	18.60%	15.70%	16.00%	13.00%	26.49%
Persons per household, 2015-2019	2.62	2.73	2.75	2.82	2.6	2.49	2.78	2.9	2.46	2.45	2.6	3.03	2.5
Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	66.70%	58.50%	64.10%	66.50%	50.40%	39.00%	71.90%	60.10%	40.40%	47.60%	58.50%	68.90%	36.40%
Median household income (in 2019 dollars), 2015-2019	$112,153	$104,766	$128,613	$146,554	$106,250	$80,943	$157,353	$128,796	$82,431	$82,709	$124,130	$173,024	$107,463
Median value of owner-occupied housing units, 2015-2019	$458,100	$416,000	$447,100	$604,400	$357,500	$348,500	$577,600	$486,300	$332,300	$409,400	$401,900	$547,700	$522,511
Persons without health insurance, under age 65 years, percent	1.70%	1.80%	1.60%	0.80%	NA	6.10%	1.00%	1.30%	5.40%	6.70%	2.40%	1.40%	NA
Total health care and social assistance receipts/revenue, 2012 ($1,000)	$249,866	$92,559	$43,340	$94,332	NA	$241,518	NA	$6,919	X	X	D	$4,473	NA
Per capita income in past 12 months (in 2019	$55,718	$48,528	$60,688	$69,772	$47,834	$41,467	$68,734	$56,909	$41,445	$42,684	$55,890	$62,060	$49,189
Persons in poverty, percent	4.60%	4.50%	2.60%	3.00%	5.30%	5.60%	3.60%	2.50%	5.70%	8.40%	3.90%	1.10%	4.00%
Population per square mile, 2010	888	1717.9	766.1	696.5	821.9	1845.1	568.3	349.7	2598.4	NA	1345.7	245.4	$222

	Statwide Census Data				
	Massachusetts	Boston City	Middlesex County	Worcester County	Worcester City
Population estimates, July 1, 2019, (V2019)	6,892,503	692,600	1,611,699	830,622	185,428
White alone, percent	80.60%	52.80%	78.20%	85.70%	69.20%
Persons 65 years and over, percent	17.00%	11.50%	15.70%	16.10%	13.60%
Persons per household, 2015-2019	2.52	2.36	2.55	2.56	2.38
Bachelor's degree or higher, percent of persons age 25 years+, 2015-2019	43.70%	49.70%	56.30%	36.40%	30.20%
Median household income (in 2019 dollars), 2015-2019	$81,215	$71,115	$102,603	$74,679	$48,139
Median value of owner-occupied housing units, 2015-2019	$381,600	$532,700	$500,700	$280,600	$227,100
Persons without health insurance, under age 65 years, percent	3.50%	3.90%	2.80%	3.10%	3.30%
Total health care and social assistance receipts/revenue, 2012 ($1,000)	$63,583,090	$16,734,496	$15,136,621	$6,350,013	$3,876,287
Per capita income in past 12 months (in 2019	$43,761	$44,690	$52,228	$37,574	$27,884
Persons in poverty, percent	9.40%	18.90%	6.90%	9.40%	20.00%
Population per square mile, 2010	839.4	12792.7	1837.9	528.6	4844.5

- The census listed all but one town within MGB's Westborough service area as below statewide Median household income level of $81,215
- No town in MGB's service has a poverty percentage equal to the Statewide and Worcester County percentage of 9.4%

Characteristics of the Proposed Service Area

- MGB Westborough facility's service area covers many of the highest income communities in central Massachusetts.
- The MGB Westborough facility's service area has low percentage of individuals with Medicaid health insurance coverage.
- UMMHC's hospitals are located in communities with low income and prevalent poverty.
- Communities with UMMHC hospitals have higher percentages of people with Medicaid coverage.
- UMMHC is investing in Southbridge and Worcester. MGB has chosen to invest in Westborough.

City/Town	Median HH Income	% Less Than 2FPL	% Below Poverty Level	% Medicaid
Bolton	$ 173,024	0%	3%	5%
Hopkinton	$ 157,353	8%	4%	8%
Southborough	$ 146,554	9%	3%	7%
Upton	$ 128,796	8%	3%	5%
Northborough	$ 128,613	8%	3%	8%
Ashland	$ 124,130	11%	4%	12%
Westborough	$ 112,153	13%	5%	12%
Grafton	$ 106,250	12%	5%	14%
Shrewsbury	$ 104,766	11%	4%	12%
Berlin	$ 99,297	13%	4%	12%
Hudson	$ 91,706	11%	5%	14%
Milford	$ 83,243	20%	10%	26%
Framingham	$ 82,709	22%	8%	27%
Marlborough	$ 80,943	20%	6%	23%
Leominster	$ 61,825	28%	13%	32%
Clinton	$ 57,207	24%	8%	31%
Fitchburg	$ 57,207	34%	16%	38%
Southbridge	$ 51,270	41%	21%	44%
Worcester	$ 48,139	40%	20%	38%

Westborough MGB Service Area

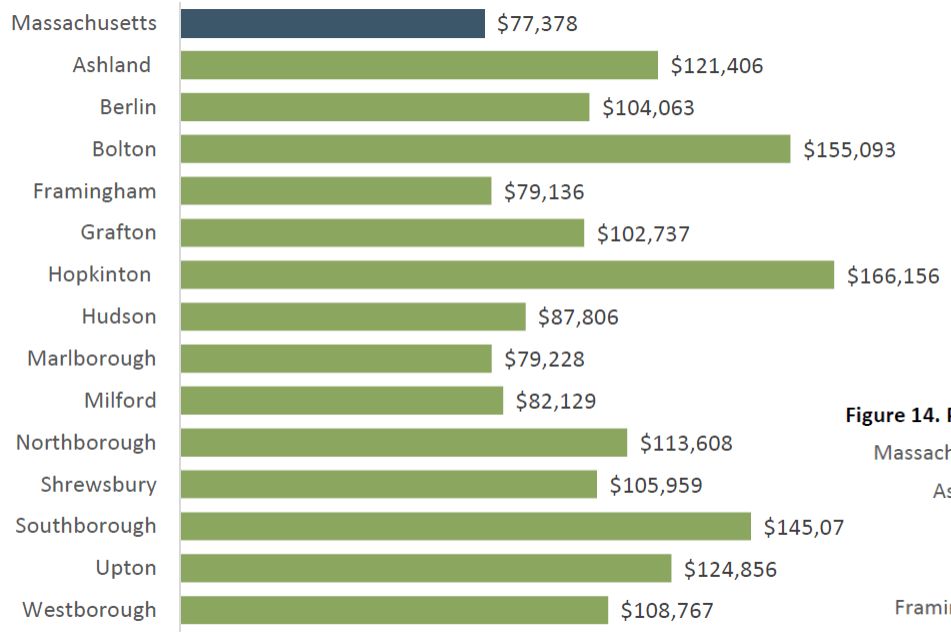
Cities with UMMHC Hospitals

UMMHC Hosp. & MGB Service Area

MGB Woburn Location: Median Income and Poverty Percentage by Town: As reported in MGB's DoN Application

Data reported in MGB's CHNA assessment doesn't reflect most current Census data

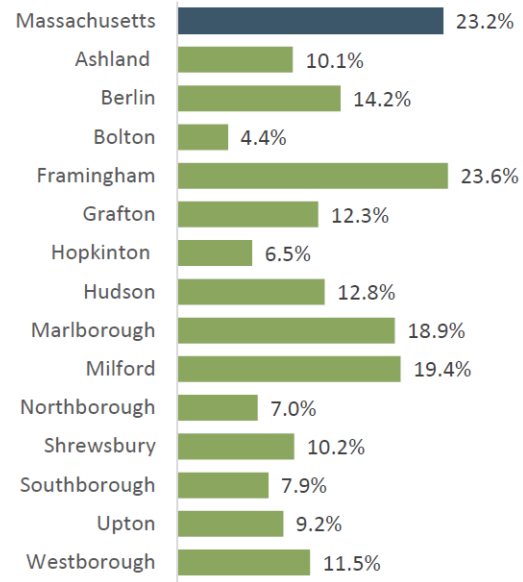
Figure 13. Median Household Income, in Massachusetts and by Town, 2014-2018



DATA SOURCE: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018

All towns in service area above Statewide median income level

Figure 14. Percent Population Living Below 200% of Poverty Level, in Massachusetts and by Town, 2014-2018



DATA SOURCE: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018.

FY19 Inpatient UMMHC vs MGH-Brigham System Payor Mix Comparison

	Payor Mix							Market Share				
	Statewide Payor Mix			Central MA Payor Mix				Statewide		Central MA		
	Statewide	MGH-Brigham	UMMHC	Central MA	MGH-Brigham	UMMHC	Other Hospitals	MGH-Brigham	UMMHC	MGH-Brigham	UMMHC	Other Hospitals
Commercial	29.3%	39.9%	30.4%	31.1%	53.7%	29.9%	28.5%	26.7%	6.7%	13.6%	41.2%	45.2%
Medicaid	18.4%	12.3%	24.5%	21.3%	9.0%	25.4%	19.6%	13.1%	8.6%	3.4%	51.2%	45.5%
Medicare	47.4%	42.2%	42.2%	45.2%	33.9%	42.3%	49.5%	17.5%	5.7%	5.9%	40.1%	54.0%
Other	4.9%	5.6%	2.9%	2.4%	3.3%	2.4%	2.3%	22.7%	3.8%	10.8%	41.9%	47.2%
Grand Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**19.6%**	**6.5%**	**7.9%**	**42.8%**	**49.3%**
Discharges	***774,466***	***152,133***	***49,959***	***105,618***	***8,346***	***45,223***	***52,049***					

- UMMHC provides the highest level of care to Medicaid patients in Central MA with a 51% share
  - Medicaid represents 25.4% of UMMHCs IP payor mix
- MGH-Brigham captures a high commercial share throughout the Commonwealth of MA as well as from Central MA patients; 39.9% and 53.7%
  - Central MA patients represent ~5.5% of MGH-Brigham's total discharges

Payor mix is for Boston area hospitals and includes all discharges excluding Newborn discharges no matter where the patient reside
Medicare and Medicaid includes managed care plans
MGH-Brigham represents the System

Statewide Licensed Beds Compared to Inpatient Discharges

MGB has 2.8 times the licensed beds of UMMHC, but only 1.5 times the Medicaid Discharges

Hospital System	Total Licensed Beds (Excl Nursery)	% of Total Licensed Beds	Discharges Excl Newborns					Discharges per Licensed Bed					% of Total Medicaid	Payor Mix			
			Commercial	Medicaid	Medicare	Other	Total	Commercial	Medicaid	Medicare	Other	Total		Commercial	Medicaid	Medicare	Other
Mass General Brigham	2,680	18%	60,655	18,656	64,241	8,581	152,133	23	7	24	3	57	13%	40%	12%	42%	6%
BI-Lahey	2,420	16%	45,471	18,543	74,294	3,799	142,107	19	8	31	2	59	13%	32%	13%	52%	3%
Steward Healthcare	1,605	11%	16,711	15,257	39,486	2,098	73,552	10	10	25	1	46	11%	23%	21%	54%	3%
Wellforce	1,050	7%	11,948	11,081	20,999	1,169	45,197	11	11	20	1	43	8%	26%	25%	46%	3%
UMMHC	964	6%	15,212	12,259	21,063	1,425	49,959	16	13	22	1	52	9%	30%	25%	42%	3%
Baystate	893	6%	11,367	11,910	25,907	1,863	51,047	13	13	29	2	57	8%	22%	23%	51%	4%
Southcoast Health	809	5%	6,395	6,884	19,898	2,878	36,055	8	9	25	4	45	5%	18%	19%	55%	8%
Tenet	590	4%	7,875	6,208	14,753	313	29,149	13	11	25	1	49	4%	27%	21%	51%	1%
Cambridge Health	442	3%	3,251	2,677	3,098	373	9,399	7	6	7	1	21	2%	35%	28%	33%	4%
Boston Medical	405	3%	4,139	5,498	6,841	8,520	24,998	10	14	17	21	62	4%	17%	22%	27%	34%
Children's Hospital	399	3%	7,772	4,036	189	1,828	13,825	19	10	0	5	35	3%	56%	29%	1%	13%
South Shore Hosp	393	3%	9,144	3,174	15,103	1,667	29,088	23	8	38	4	74	2%	31%	11%	52%	6%
Berkshire Medical	332	2%	3,955	2,575	8,299	477	15,306	12	8	25	1	46	2%	26%	17%	54%	3%
Mercy Medical	322	2%	3,788	5,989	6,385	463	16,625	12	19	20	1	52	4%	23%	36%	38%	3%
Cape Cod	259	2%	3,446	2,008	10,710	470	16,634	13	8	41	2	64	1%	21%	12%	64%	3%
Brockton Hospital	197	1%	2,066	3,885	4,677	300	10,928	10	20	24	2	55	3%	19%	36%	43%	3%
Lawrence General	196	1%	1,651	3,984	5,103	299	11,037	8	20	26	2	56	3%	15%	36%	46%	3%
Holyoke Medical	188	1%	945	1,790	3,214	199	6,148	5	10	17	1	33	1%	15%	29%	52%	3%
Emerson Hospital	175	1%	3,328	788	3,139	191	7,446	19	5	18	1	43	1%	45%	11%	42%	3%
Heywood Healthcare	159	1%	1,069	1,000	2,796	114	4,979	7	6	18	1	31	1%	21%	20%	56%	2%
Milford Regional	149	1%	2,517	1,283	5,528	169	9,497	17	9	37	1	64	1%	27%	14%	58%	2%
Sturdy Memorial	132	1%	1,693	1,472	4,179	146	7,490	13	11	32	1	57	1%	23%	20%	56%	2%
Harrington Memorial	119	1%	634	1,106	2,559	158	4,457	5	9	22	1	37	1%	14%	25%	57%	4%
Falmouth Hospital	95	1%	1,250	633	3,955	155	5,993	13	7	42	2	63	0%	21%	11%	66%	3%
Dana-Farber	30	0%	586	48	497	53	1,184	20	2	17	2	39	0%	49%	4%	42%	4%
Grand Total	**15,003**	**100%**	**226,868**	**142,744**	**366,913**	**37,708**	**774,233**	**15**	**10**	**24**	**3**	**52**	**100%**	**29%**	**18%**	**47%**	**5%**

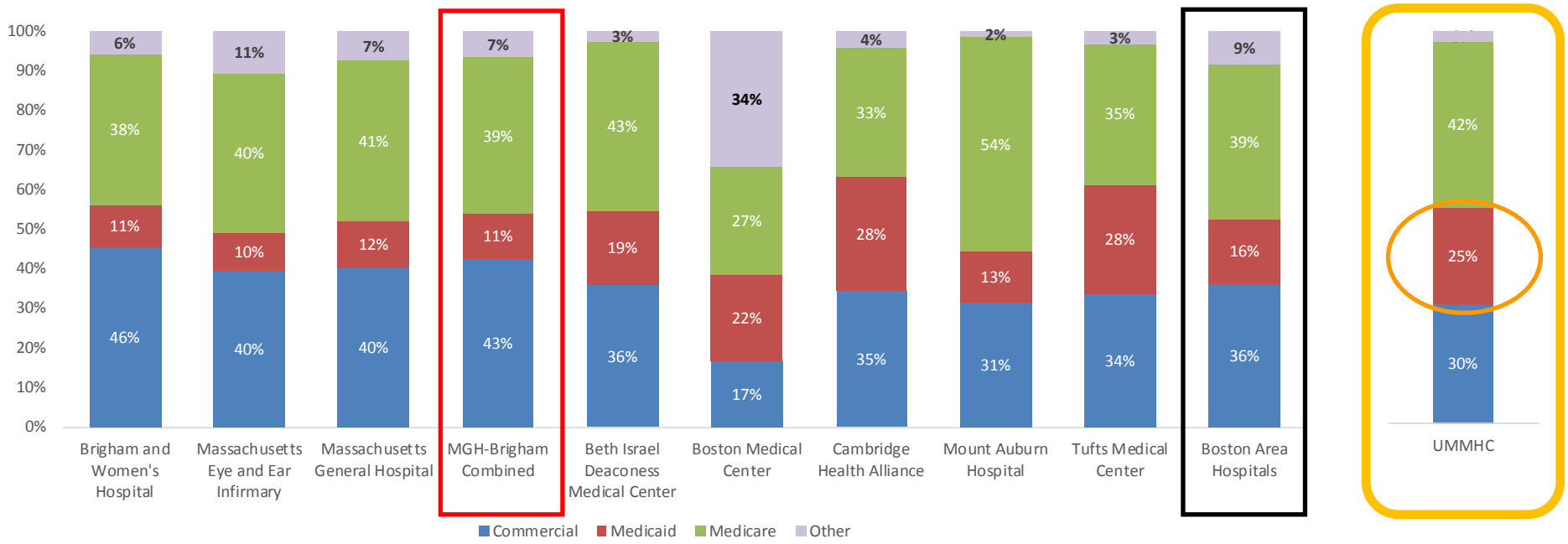
Licensed beds based on CHIA 403 cost report data for FY19

Discharges by Payor Based on CHIA Inpatient Case Mix Data results for FY19

Includes out of state activity

Excludes Shriners Hospital

Boston Area Hospitals Inpatient Payor Mix



- MGH-Brigham IP payor mix strategy is targeted to commercial patients;
  - MGB Boston area hospitals have a combined commercial payor mix of 43%
  - Medicaid only represents 11% of their discharges
- Only Cambridge and Tufts have a similar Medicaid payor mix as UMMHC with 28% for each respective hospitals

Payor mix is for Boston area hospitals and includes all discharges excluding Newborn discharges no matter where the patient reside

CHIA Relative Price Review

CHIA Relative Hospital Price Variation in Mass Commercial Market

2018 Hospital RP Review for Major Payors in MA
Results Represent All Product Types for Commercial (self and fully insured) Insured
High public payor hospitals serve a lower income patient population
https://www.chiamass.gov/relative-price-and-provider-price-variation/

Blue Cross Blue Shield of Massachusetts						
Hospital OrgID	Hospital Name	Hospital Cohort	Inpatient RP	Outpatient RP	IP RP % Variance to Marlb	OP RP % Variance to Marlb
133	Marlborough Hospital	Community-High Public Payer Hospital	0.87	0.74		
3115	UMass Memorial Medical Center	Academic Medical Center	1.15	0.98	32%	32%
12665	Brigham and Women's Hospital - Suburban	Academic Medical Center	NA	0.98	NA	32%
12664	Brigham and Women's Hospital - Urban	Academic Medical Center	1.36	1.52	56%	105%
12663	Massachusetts General Hospital - Suburban	Academic Medical Center	NA	0.98	NA	32%
12662	Massachusetts General Hospital - Urban	Academic Medical Center	1.36	1.52	56%	105%
105	Newton-Wellesley Hospital	Community Hospital	1.08	0.96	24%	30%
97	Milford Regional Medical Center	Community Hospital	0.90	0.90	3%	22%
127	Saint Vincent Hospital	Teaching Hospital	0.95	0.78	9%	5%
3110	MetroWest Medical Center	Community-High Public Payer Hospital	0.96	0.82	10%	11%

Harvard Pilgrim Health Care						
Hospital OrgID	Hospital Name	Hospital Cohort	Inpatient RP	Outpatient RP	IP RP % Variance to Marlb	OP RP % Variance to Marlb
133	Marlborough Hospital	Community-High Public Payer Hospital	0.6	0.83		
3115	UMass Memorial Medical Center	Academic Medical Center	1.27	0.95	112%	14%
22	Brigham and Women's Hospital	Academic Medical Center	1.27	1.09	112%	31%
91	Massachusetts General Hospital	Academic Medical Center	1.26	1.11	110%	34%
105	Newton-Wellesley Hospital	Community Hospital	1.04	0.95	73%	14%
97	Milford Regional Medical Center	Community Hospital	0.85	0.86	42%	4%
127	Saint Vincent Hospital	Teaching Hospital	1.26	0.71	110%	-14%
3110	MetroWest Medical Center	Community-High Public Payer Hospital	0.99	0.79	65%	-5%

- Marlborough's hospital relative pricing on IP and OP services are below MGB hospital facilities when comparing all the major commercial insurers
- The Medical Center is lower on IP and OP services compared to MGB Academic Medical Center's

CHIA Relative Hospital Price Variation in Mass Commercial Market Con't

2018 Hospital RP Review for Major Payors in MA
Results Represent All Product Types for Commercial (self and fully insured) Insured
High public payor hospitals serve a lower income patient population
https://www.chiamass.gov/relative-price-and-provider-price-variation/

Tufts Associated Health Maintenance Organization, Inc.						
Hospital OrgID	Hospital Name	Hospital Cohort	Inpatient RP	Outpatient RP	IP RP % Variance to Marlb	OP RP % Variance to Marlb
133	Marlborough Hospital	Community-High Public Payer Hospital	0.65	0.75		
3115	UMass Memorial Medical Center	Academic Medical Center	1.33	0.95	105%	27%
22	Brigham and Women's Hospital	Academic Medical Center	1.54	1.33	137%	77%
91	Massachusetts General Hospital	Academic Medical Center	1.48	1.33	128%	77%
105	Newton-Wellesley Hospital	Community Hospital	1.09	1.01	68%	35%
127	Milford Regional Medical Center	Community Hospital	0.82	0.81	26%	8%
127	Saint Vincent Hospital	Teaching Hospital	1.30	0.78	100%	4%
97	MetroWest Medical Center	Community-High Public Payer Hospital	1.00	0.80	54%	7%

Fallon Community Health Plan						
Hospital OrgID	Hospital Name	Hospital Cohort	Inpatient RP	Outpatient RP	IP RP % Variance to Marlb	OP RP % Variance to Marlb
133	Marlborough Hospital	Community-High Public Payer Hospital	0.47	0.99		
3115	UMass Memorial Medical Center	Academic Medical Center	1.52	0.95	223%	-4%
22	Brigham and Women's Hospital	Academic Medical Center	2.03	1.53	332%	55%
91	Massachusetts General Hospital	Academic Medical Center	2.01	1.52	328%	54%
105	Newton-Wellesley Hospital	Community Hospital	0.68	0.82	45%	-17%
97	Milford Regional Medical Center	Community Hospital	0.68	0.76	45%	-23%
127	Saint Vincent Hospital	Teaching Hospital	1.07	0.87	128%	-12%
3110	MetroWest Medical Center	Community-High Public Payer Hospital	0.91	0.87	94%	-12%

- Marlborough is 17% higher for OP relative pricing for Fallon Community Health Plan, but lower for IP care by 45%

CHIA Relative Physician Price Variation in Mass Commercial Market

2018 Hospital RP Review for Major Payors in MA
Results Represent All Product Types for Commercial (self and fully insured) Insured
High public payor hospitals serve a lower income patient population
https://www.chiamass.gov/relative-price-and-provider-price-variation/

Blue Cross Blue Shield of Massachusetts			
Provider Group OrgID	Provider Group Name	Physician Group RP	RP % Variance to UMMHC RP
8745	Partners Community Physician Organization	1.26	30%
10972	Reliant Medical Group	1.44	48%
11773	UMass Memorial Medical Center - Based Practices	0.97	

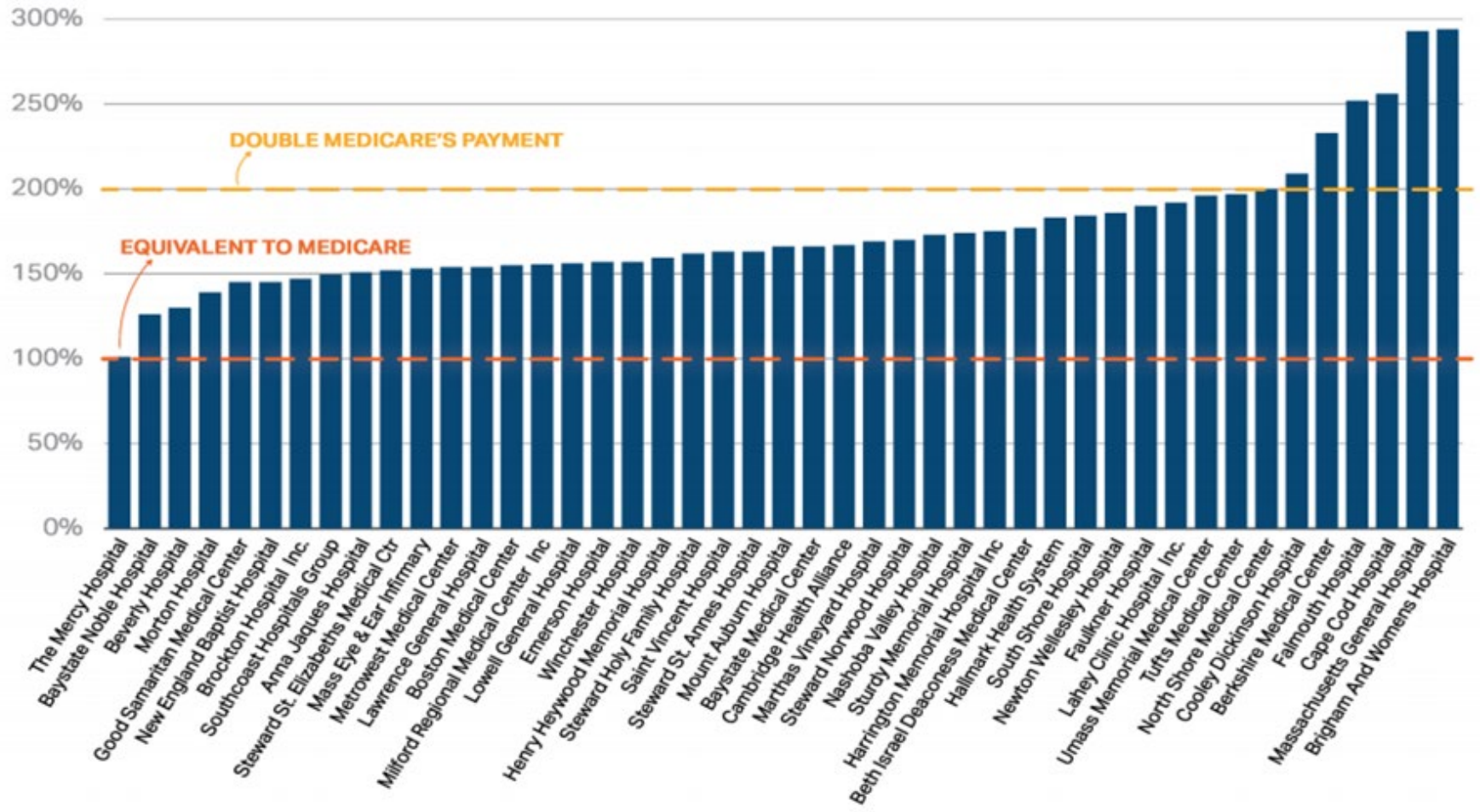
Harvard Pilgrim Health Care			
Provider Group OrgID	Provider Group Name	Physician Group RP	RP % Variance to UMMHC RP
10971	Central Massachusetts Independent Physician Assoc. (CMIPA)	0.92	-17%
8745	Partners Community Physician Organization	1.27	14%
10972	Reliant Medical Group	1.36	23%
9784	UMass Memorial Medical Group	1.11	

Fallon Community Health Plan			
Provider Group OrgID	Provider Group Name	Physician Group RP	RP % Variance to UMMHC RP
10996	Brigham and Women's Physicians Organization	1.64	91%
10971	Central Massachusetts Independent Physician Assoc. (CMIPA)	1.02	19%
10997	Charles River Medical Associates, P.C.	0.73	-15%
8750	Milford Regional Physician Group	0.89	3%
8644	Newton-Wellesley Physician Hospital Group	0.75	-13%
8745	Partners Community Physician Organization	1.37	59%
10972	Reliant Medical Group	1.23	43%
11539	St. Vincent Physician Services, Inc.	0.64	-26%
11773	UMass Memorial Medical Center - Based Practices	0.9	5%
9784	UMass Memorial Medical Group	0.86	

- MGB physician group ranks **#1** in total revenue and total margin ($2.7B in revenue and a positive 2.7% margin);
- MGB is **3X** the NPSR of the next largest physician organization
- Any expansion in physician office practices will surely increase cost of care statewide

Commercial payment rates for hospital outpatient services vary threefold across Massachusetts hospitals, often well exceeding Medicare rates.

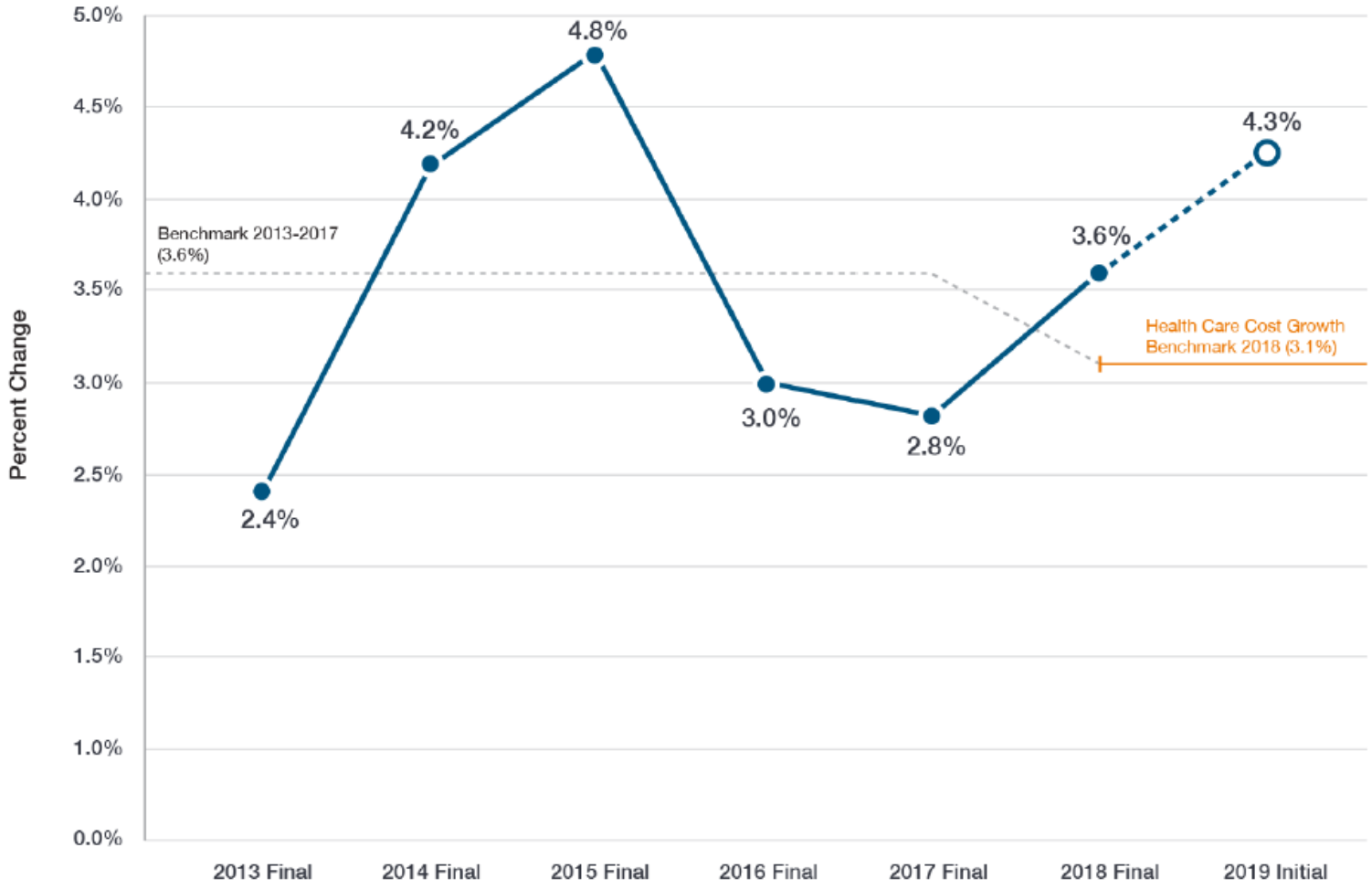
Aggregate commercial hospital outpatient payments to hospital relative to what they would have received from Medicare, 2016-2018



Data from supplemental data files included in the report, Nationwide Evaluation of Health Care Prices Paid by Private Health Plans: Findings from Round 3 of an Employer-Led Transparency Initiative by Christopher Whaley et al, https://www.rand.org/pubs/research_reports/RR4394.html. Data represent aggregate spending from 2016-2018. Analysis based on commercial claims-level data contributed by self-insured employers and private health plans. Authors simulated Medicare

Total Health Care Expenditures

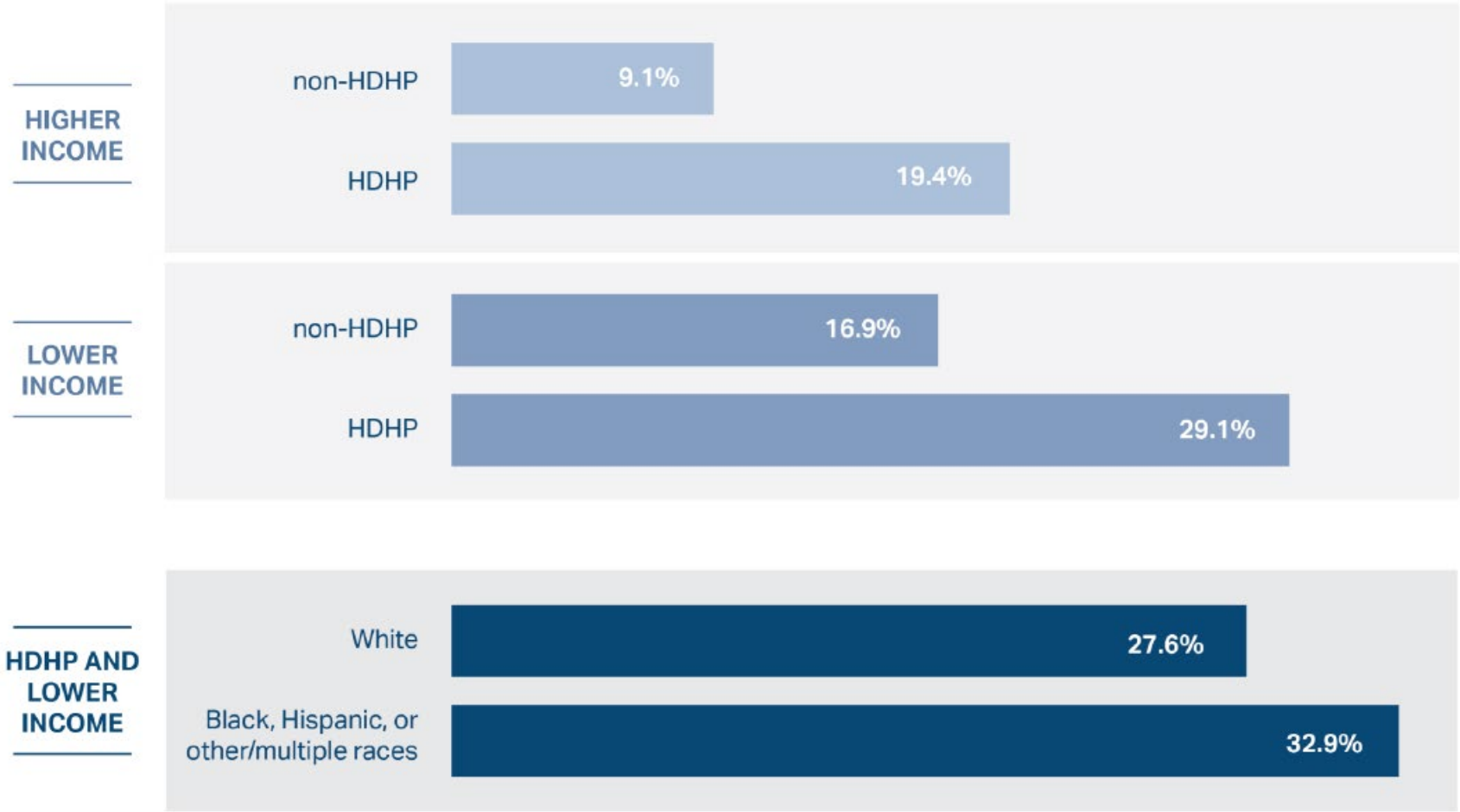
Trends, 2013-2019



THCE growth per capita exceeded the health care cost growth benchmark in 2019.

Residents with high deductible plans are twice as likely to go without needed care or prescription drugs because of cost.

Percent of privately-insured Massachusetts who said they went without needed doctor care, specialist care, mental health care or prescription drugs, 2019



HPC analysis of data from the Massachusetts Health Insurance Survey (MHIS) administered by the Massachusetts Center for Health Information and Analysis. Low-

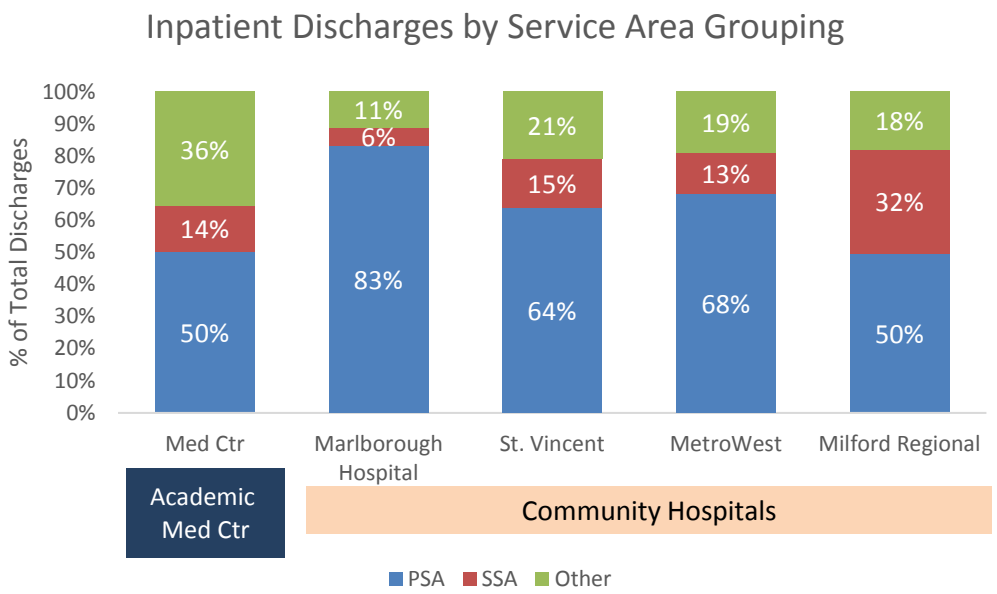
A Recent Gallup and West Health Study found patients are choosing to forgo healthcare because of cost

- **Healthcare costs are the reason millions of Americans go without new clothing, over-the-counter drugs, leisure activities and sometimes the care altogether, according to a study released March 31 by Gallup and West Health, a nonprofit focused on lowering healthcare costs for older people.**
  - The study, conducted Feb. 15-21, surveyed 3,753 Americans ages 18 and older. Below are five notable findings:
  - Thirty-five percent of respondents from households with an annual income below $24,000 reported forgoing care in the past year, compared with 7 percent among households earning below $180,000 per year.
  - Eighteen percent of respondents reported they would not be able to pay for healthcare if they needed it.
  - The study found healthcare unaffordability among 29 percent of Black respondents, 21 percent of Latinx respondents and 16 percent of white respondents. For adults ages 65 and older, 16 percent of non-white respondents reported not being able to afford their healthcare and 8 percent of white respondents reported the same.
  - Eighteen percent of respondents reported someone in their household skipping care due to unaffordability in the past year.
  - Thirty-five percent of respondents said they have to spend less on recreational or leisure activities due to healthcare unaffordability, 26 percent reported having to spend less on clothing, 12 percent reported having to spend less on groceries and 11 percent reported having to spend less on over-the-counter drugs.

Source: Becker's Hospital Review

CHIA Inpatient Case Mix Data: Local inpatients providers rely heavily on their primary and secondary towns to support them

Primary Service Area (PSA) is defined by town where hospital is located and the towns that touch that town
Secondary Service Area (SSA) is defined by the towns that touch the PSA towns



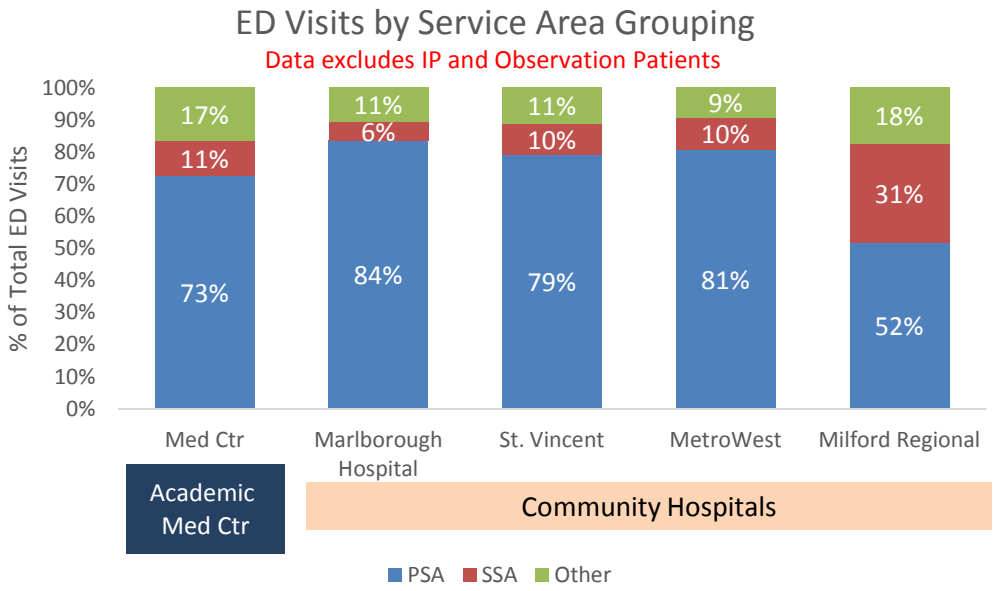
	Number of Towns		
	PSA	SSA	Total
Med Ctr	10	14	24
Marlborough Hospital	8	15	23
St. Vincent	10	14	24
MetroWest	11	18	29
Milford Regional	7	12	19

Total number of towns can include multiple zip codes

- UMMHC Marlborough relies heavily on both its PSA and SSA to support their inpatient hospital operations
  - This represents about **89%** of their total discharges
- Other community hospitals in Central Mass also rely heavily on their PSA and SSA to support inpatient hospital operations
  - This ranges **79% to 82%** of total discharges
- UMMHC's Medical Center supports both community hospital and tertiary level of care throughout Central Mass

CHIA ED Case Mix Data: Local inpatients providers rely heavily on their primary and secondary towns to support them

Primary Service Area (PSA) is defined by town where hospital is located and the towns that touch that town
Secondary Service Area (SSA) is defined by the towns that touch the PSA towns

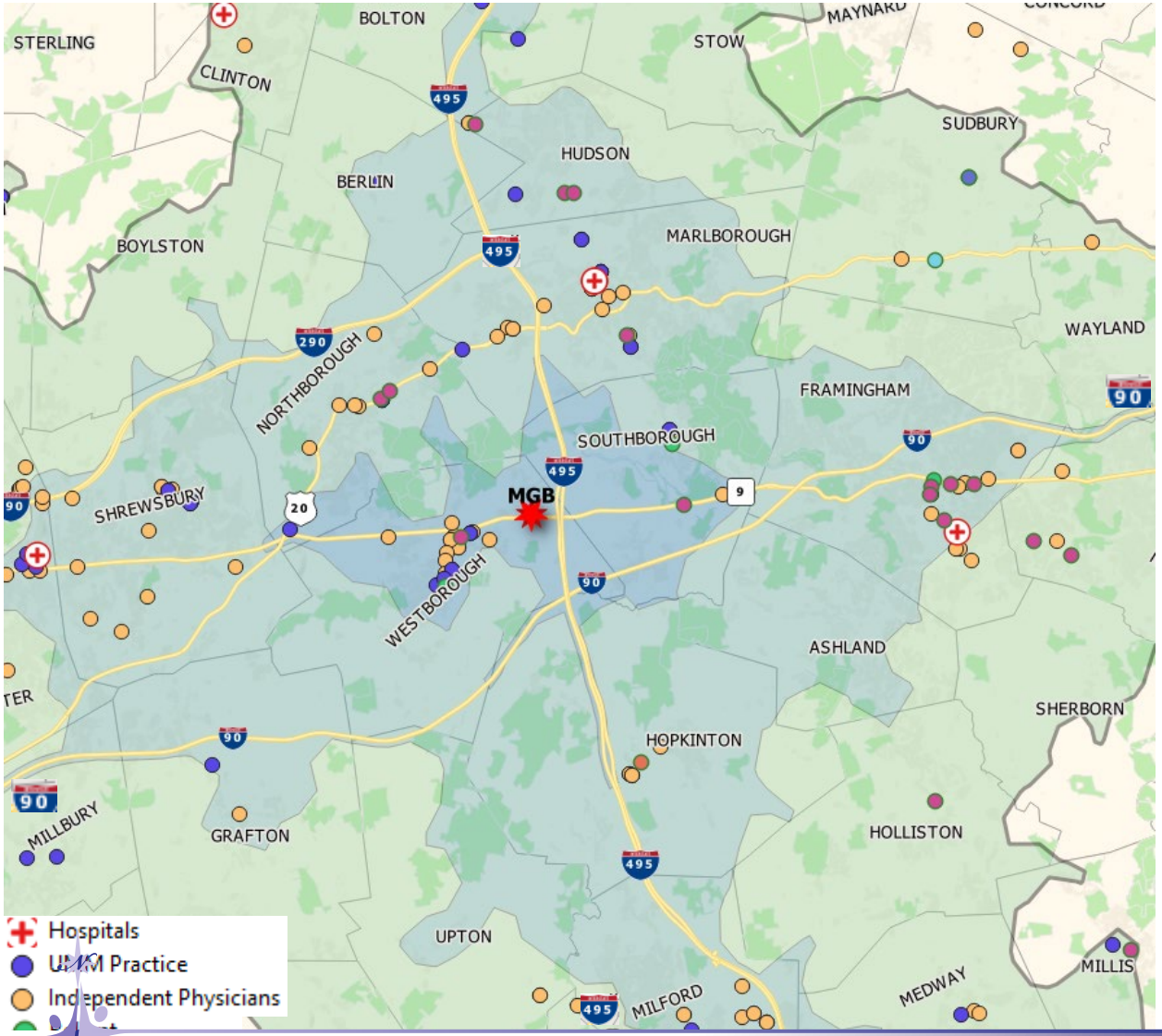


	Number of Towns		
	PSA	SSA	Total
Med Ctr	10	14	24
Marlborough Hospital	8	15	23
St. Vincent	10	14	24
MetroWest	11	18	29
Milford Regional	7	12	19

Total number of towns can include multiple zip codes

- UMMHC Marlborough relies heavily on both its PSA and SSA to support their emergency room hospital operations
  - This represents about **89%** of their total discharges
- Other community hospitals in Central Mass also rely heavily on their PSA and SSA to support emergency room hospital operations
  - This ranges **83% to 91%** of total discharges
- UMMHC's Medical Center supports both community hospital and tertiary level of care throughout Central Mass

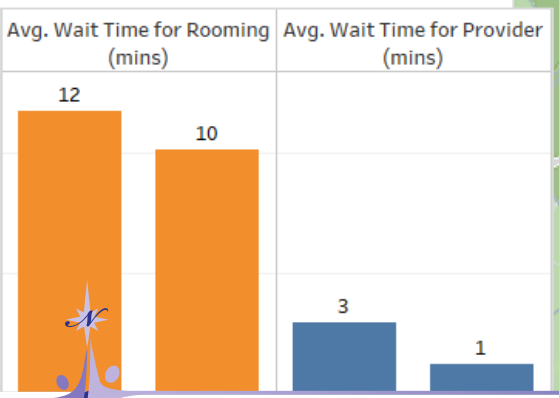
Westborough Market Analysis

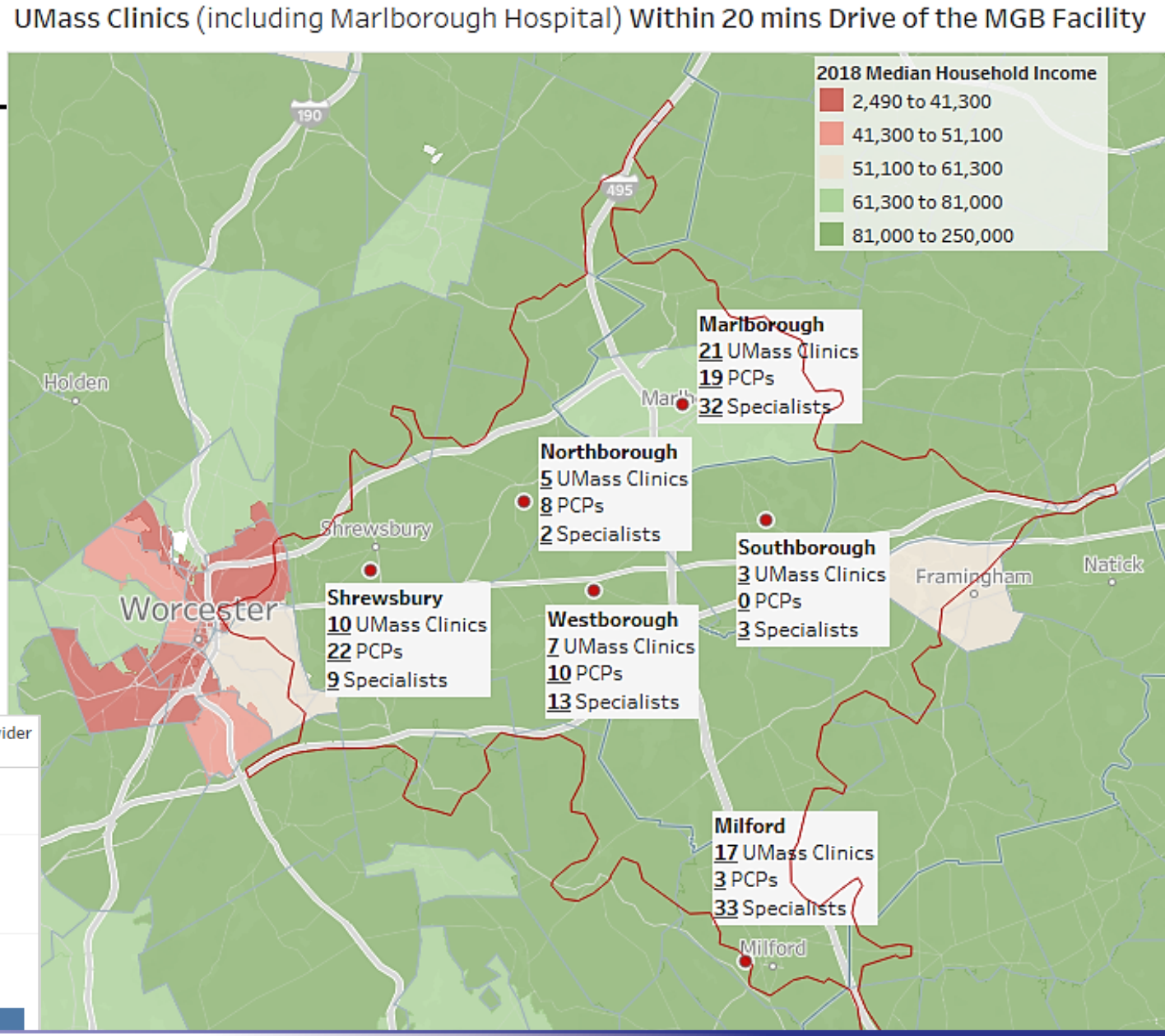


- This region has strong market competition and diverse consumer options
- 24 facilities are within 10 minutes of the proposed location. 14 are specialty care facilities
- Nearly 200 facilities are with 20 minutes, including 3 hospitals and an ambulatory surgery center

UMMHC Services Within 20 mins Drive of the Proposed MGB Facility

- > **45** Clinics and **1** Hospital in Marlborough
- > **120** Physicians
- **Avg. Wait Time** for rooming and physician at primary care locations in Westborough communities **is shorter than** other communities with UMass patients

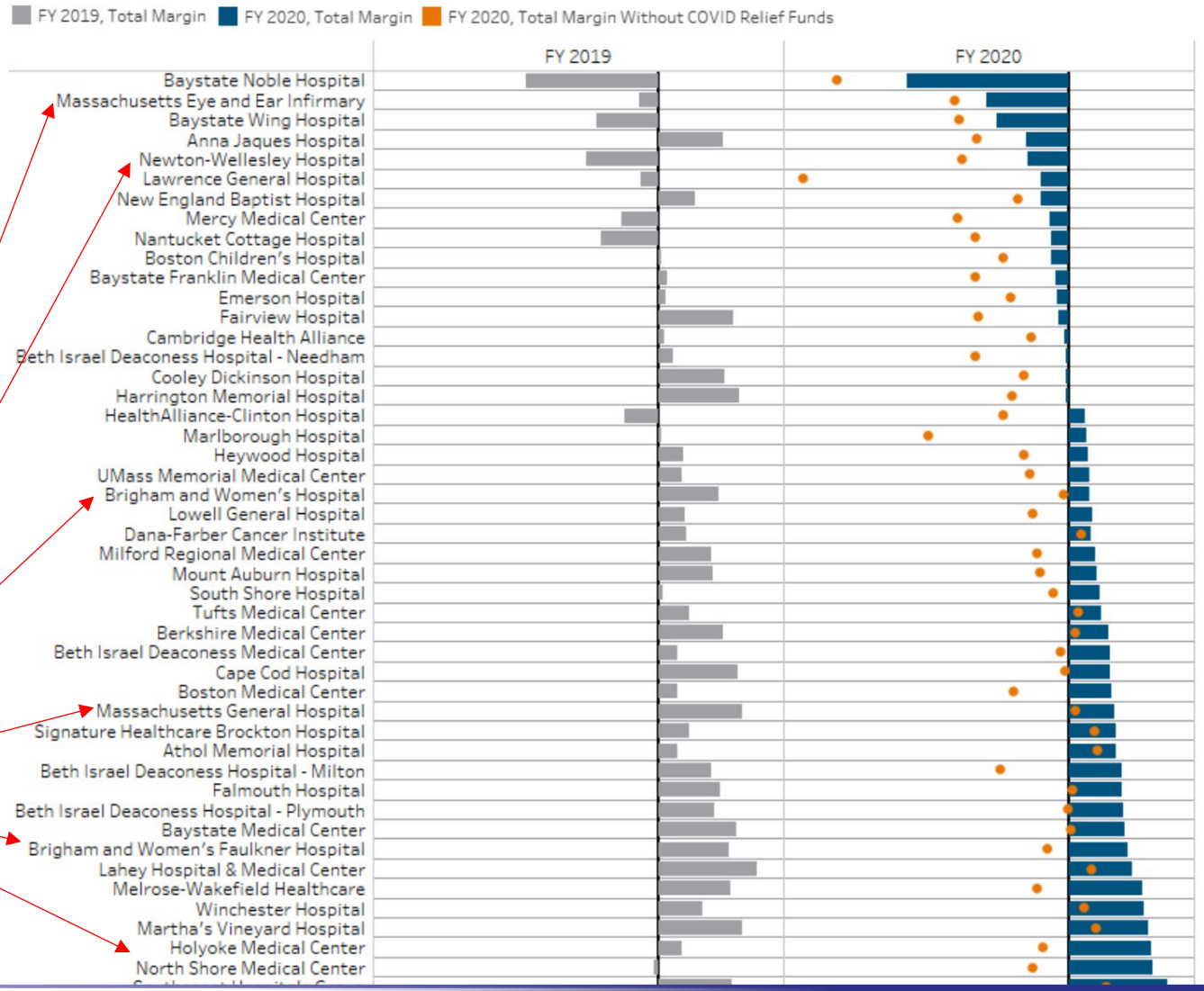




Preliminary FY20 compared to FY19: Total Margin by Hospital

Source: https://www.chiamass.gov/hospital-financial-performance/

Figure 7: Comparison of Total Margin by Hospital - FY 2020 compared to FY 2019



MGB Hospitals

Source: https://www.chiamass.gov/hospital-financial-performance/

Preliminary FY20 Total Margin by Hospital System

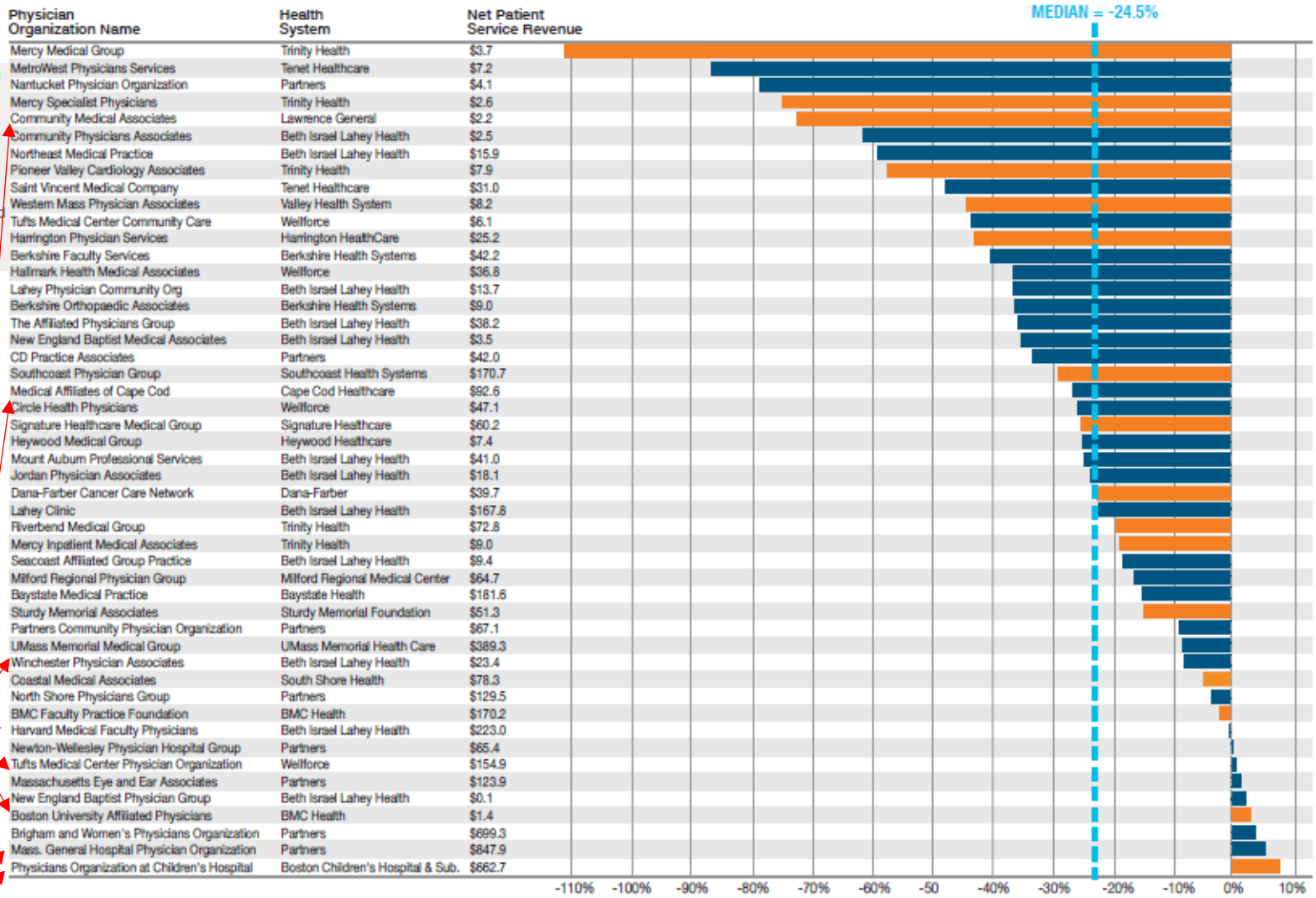
FY20 hospital ranking matches FY19's hospital ranking

Rank	Hospital System	Operating Margin	Total Margin	COVID Funding in Operating Revenue	Excess(Deficit) of Revenue over Expenses	Total COVID Funding Reported	COVID Funding Expected to be Repaid	Current Ratio	Net Assets
1	Mass General Brigham	-2.4%	1.8%	$555.8	$263.5	$1,593.7	($1,018.1)	2.3	$10,620.3
2	BI-Lahey	0.5%	1.2%	$341.9	$73.0	$1,047.9	($706.1)	2.0	$3,053.1
3	UMass Memorial Healthcare	-2.0%	-0.8%	$183.0	($23.0)	$411.0	($228.0)	1.4	$1,055.4
4	Steward Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Baystate Health	1.4%	1.8%	$112.9	$44.2	$392.2	($225.2)	1.9	$1,132.0
6	Wellforce	-0.5%	1.4%	$106.3	$31.1	$307.6	($201.3)	1.1	$727.3
7	Boston Children's Hospital	-2.6%	12.1%	$116.0	$370.8	$162.0	($45.2)	1.4	$6,501.3
8	Dana Farber	-11.8%	2.4%	$24.0	$49.2	$168.6	($134.1)	1.0	$2,113.3
9	Boston Medical	1.9%	3.3%	$213.1	$147.4	$362.1	($108.5)	1.6	$1,819.6
10	Southcost Health	1.9%	5.7%	$75.9	$66.3	$232.1	($151.9)	1.2	$866.0
11	Tenet Healthcare	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12	Cape Cod Healthcare	-1.1%	0.5%	$52.1	$4.7	$222.2	($170.1)	1.2	$844.5
13	Cambridge Health	-2.4%	-0.5%	$27.9	($3.4)	$100.6	($30.6)	2.3	$247.3
14	South Shore Health	-1.1%	2.6%	$48.8	$21.0	$149.7	($99.0)	1.3	$449.2
15	Berkshire Health Systems	-5.1%	-1.4%	$27.5	($9.6)	$122.7	($94.6)	1.7	$500.9
16	Trinity Health	-1.8%	-0.4%	$712.3	($75.5)	$2,430.4	($1,632.7)	1.7	$13,530.7
17	Signature Healthcare	1.7%	1.9%	$12.3	$7.3	$85.8	($34.3)	0.7	$76.4
18	Emerson	-6.2%	-0.9%	$14.6	($2.6)	$33.2	($18.7)	1.2	$44.7
19	Lawrence General	-6.4%	-5.7%	$61.4	($17.2)	$99.1	($36.6)	1.7	$82.8
20	Milford	-1.7%	-0.8%	$16.6	($2.3)	$50.3	($33.7)	1.7	$127.1
21	Sturdy Memorial	-3.8%	6.1%	$13.5	$17.6	$13.5	$0.0	1.1	$475.6
22	Valley Health	5.1%	7.2%	$25.4	$16.2	$31.1	($5.7)	1.6	$0.5
23	Heywood	1.6%	1.8%	$11.7	$3.4	$37.0	($21.4)	1.7	$74.3
24	Harrington	-11.9%	-7.2%	$9.3	($12.2)	$26.4	($17.1)	2.1	$73.1
25	Shriners	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

FY19 Hospital-Affiliated Physician Organization by Total Margin

Source: https://www.chiamass.gov/hospital-financial-performance

The three physician organizations with the largest revenue, Massachusetts General Hospital Physicians Organization, Brigham and Women's Physicians Organization, and Physicians Organization at Children's Hospital and Foundation, also reported the largest total margins at 5.6%, 3.9%, and 7.9%, respectively.



Physician Organization Name	Health System	Net Patient Service Revenue
Mercy Medical Group	Trinity Health	$3.7
MetroWest Physicians Services	Tenet Healthcare	$7.2
Nantucket Physician Organization	Partners	$4.1
Mercy Specialist Physicians	Trinity Health	$2.6
Community Medical Associates	Lawrence General	$2.2
Community Physicians Associates	Beth Israel Lahey Health	$2.5
Northeast Medical Practice	Beth Israel Lahey Health	$15.9
Pioneer Valley Cardiology Associates	Trinity Health	$7.9
Saint Vincent Medical Company	Tenet Healthcare	$31.0
Western Mass Physician Associates	Valley Health System	$8.2
Tufts Medical Center Community Care	Wellforce	$6.1
Harrington Physician Services	Harrington HealthCare	$25.2
Berkshire Faculty Services	Berkshire Health Systems	$42.2
Hallmark Health Medical Associates	Wellforce	$36.8
Lahey Physician Community Org	Beth Israel Lahey Health	$13.7
Berkshire Orthopaedic Associates	Berkshire Health Systems	$9.0
The Affiliated Physicians Group	Beth Israel Lahey Health	$38.2
New England Baptist Medical Associates	Beth Israel Lahey Health	$3.5
CD Practice Associates	Partners	$42.0
Southcoast Physician Group	Southcoast Health Systems	$170.7
Medical Affiliates of Cape Cod	Cape Cod Healthcare	$92.6
Circle Health Physicians	Wellforce	$47.1
Signature Healthcare Medical Group	Signature Healthcare	$60.2
Heywood Medical Group	Heywood Healthcare	$7.4
Mount Auburn Professional Services	Beth Israel Lahey Health	$41.0
Jordan Physician Associates	Beth Israel Lahey Health	$18.1
Dana-Farber Cancer Care Network	Dana-Farber	$39.7
Lahey Clinic	Beth Israel Lahey Health	$167.8
Riverbend Medical Group	Trinity Health	$72.8
Mercy Inpatient Medical Associates	Trinity Health	$9.0
Seacoast Affiliated Group Practice	Beth Israel Lahey Health	$9.4
Milford Regional Physician Group	Milford Regional Medical Center	$64.7
Baystate Medical Practice	Baystate Health	$181.6
Sturdy Memorial Associates	Sturdy Memorial Foundation	$51.3
Partners Community Physician Organization	Partners	$67.1
UMass Memorial Medical Group	UMass Memorial Health Care	$389.3
Winchester Physician Associates	Beth Israel Lahey Health	$23.4
Coastal Medical Associates	South Shore Health	$78.3
North Shore Physicians Group	Partners	$129.5
BMC Faculty Practice Foundation	BMC Health	$170.2
Harvard Medical Faculty Physicians	Beth Israel Lahey Health	$223.0
Newton-Wellesley Physician Hospital Group	Partners	$65.4
Tufts Medical Center Physician Organization	Wellforce	$154.9
Massachusetts Eye and Ear Associates	Partners	$123.9
New England Baptist Physician Group	Beth Israel Lahey Health	$0.1
Boston University Affiliated Physicians	BMC Health	$1.4
Brigham and Women's Physicians Organization	Partners	$699.3
Mass. General Hospital Physician Organization	Partners	$847.9
Physicians Organization at Children's Hospital	Boston Children's Hospital & Sub.	$662.7

Partners Physicians

CHIA Reported Physician Organization by System and Total Margin

Source: https://www.chiamass.gov/hospital-financial-performance

		CHIA Reported Physician Organization FY19 Results			% of Total		
Rank	Physician Organization System	Net Patient Service Revenue	Unrestricted Revenue Gains and Other Support	Total Excess of Revenue Gains and Other Support Over Expenses	Net Patient Service Revenue	Unrestricted Revenue Gains and Other Support	Total Margin %
1	Partners HealthCare System	1,979,173,000	2,733,198,000	73,883,000	39.8%	39.8%	2.7%
2	Boston Children's	662,672,000	837,395,000	65,971,000	13.3%	12.2%	7.9%
3	BI Lahey	556,623,000	778,636,000	(98,778,000)	11.2%	11.3%	-12.7%
4	UMass Memorial Health Care	389,343,000	559,219,000	(46,323,000)	7.8%	8.1%	-8.3%
5	Wellforce	244,903,000	372,319,513	(29,732,487)	4.9%	5.4%	-8.0%
6	BMC	171,646,325	371,291,704	(7,573,597)	3.5%	5.4%	-2.0%
7	Baystate Health	181,550,000	330,066,000	(48,519,000)	3.7%	4.8%	-14.7%
8	Southcoast Health	170,666,081	207,407,593	(59,618,622)	3.4%	3.0%	-28.7%
9	Trinity Health	96,007,061	111,426,082	(30,560,754)	1.9%	1.6%	-27.4%
10	Cape Cod Healthcare	92,635,866	93,843,276	(24,800,722)	1.9%	1.4%	-26.4%
11	South Shore Health	78,342,851	84,821,329	(3,892,622)	1.6%	1.2%	-4.6%
12	Milford	64,746,318	72,936,378	(11,865,085)	1.3%	1.1%	-16.3%
13	Signature Healthcare	60,156,733	70,941,260	(17,799,463)	1.2%	1.0%	-25.1%
14	Sturdy Memorial	51,310,258	56,974,133	(8,318,443)	1.0%	0.8%	-14.6%
15	Berkshire Health Systems	51,195,404	55,143,102	(21,680,599)	1.0%	0.8%	-39.3%
16	Tenet Healthcare	38,149,236	42,520,394	(23,556,064)	0.8%	0.6%	-55.4%
17	Dana Farber	39,698,182	39,736,359	(8,892,122)	0.8%	0.6%	-22.4%
18	Harrington	25,168,815	25,582,971	(10,917,784)	0.5%	0.4%	-42.7%
19	Valley Health	8,227,879	9,769,142	(4,294,816)	0.2%	0.1%	-44.0%
20	Heywood	7,353,886	7,815,250	(1,942,302)	0.1%	0.1%	-24.9%
21	Lawrence General	2,186,000	4,321,000	(3,116,000)	0.0%	0.1%	-72.1%
22	Steward Health Care	0	0	0	0.0%	0.0%	N/A
	Physician Organization Total	**4,971,754,895**	**6,865,363,486**	**(322,327,482)**	**100.0%**	**100.0%**	**-4.7%**

**** Steward Health Care Physician level data are not included as they did not submit audited financials states***

- Partner's Health System ranks #1 in both total revenue and total margin compared to all other physician groups with $2.7B in revenue and a positive 2.7% in total margin
- Partner's PO captures **~40%** of the total NPSR of all physician organizations that were reported
  - Excluding Boston Children's Partners captures ~46% of the total NPSR
- UMMHC ranks 4th in total revenue with a negative 8.3% total margin %

CHIA Reported Hospital Systems and Total Margin

Source: https://www.chiamass.gov/hospital-financial-performance

		CHIA Reported Hospital Systems FY19 Results			% of Total		
Rank	Hospital System	Net Patient Service Revenue	Unrestricted Revenue Gains and Other Support	Total Excess of Revenue Gains and Other Support Over Expenses	Net Patient Service Revenue	Unrestricted Revenue Gains and Other Support	Total Margin %
1	Partners HealthCare System	7,312,434,000	9,665,353,000	652,928,000	27.6%	30.3%	6.8%
2	BI Lahey	2,554,107,000	2,933,170,000	170,226,000	9.6%	9.2%	5.8%
3	UMass Memorial Health Care	2,039,802,000	2,182,674,000	40,310,000	7.7%	6.8%	1.8%
4	Steward Health Care	1,732,368,672	1,772,219,125	204,158,377	6.5%	5.6%	11.5%
5	Baystate Health	1,531,463,000	1,665,794,000	111,599,000	5.8%	5.2%	6.7%
6	Wellforce	1,445,137,000	1,662,896,000	68,627,000	5.5%	5.2%	4.1%
7	Boston Children's	1,413,995,000	1,805,480,000	4,751,000	5.3%	5.7%	0.3%
8	Dana Farber	1,287,394,065	1,967,858,038	62,981,851	4.9%	6.2%	3.2%
9	BMC	1,131,959,000	1,687,944,000	36,720,000	4.3%	5.3%	2.2%
10	Southcoast Health	819,176,538	898,382,532	76,557,288	3.1%	2.8%	8.5%
11	Tenet Healthcare	766,425,923	785,483,138	80,711,220	2.9%	2.5%	10.3%
12	Cape Cod Healthcare	761,418,086	792,825,571	68,525,291	2.9%	2.5%	8.6%
13	Cambridge Health	615,287,915	696,074,124	4,390,419	2.3%	2.2%	0.6%
14	South Shore Health	613,290,139	650,873,112	3,563,130	2.3%	2.0%	0.5%
15	Berkshire Health Systems	522,432,646	599,029,977	45,283,306	2.0%	1.9%	7.6%
16	Trinity Health	305,018,353	318,208,849	(13,312,791)	1.2%	1.0%	-4.2%
17	Emerson	261,907,823	270,434,191	2,051,144	1.0%	0.8%	0.8%
18	Signature Healthcare	252,700,307	302,032,725	10,596,257	1.0%	0.9%	3.5%
19	Lawrence General	232,996,000	260,911,000	(5,099,000)	0.9%	0.8%	-2.0%
20	Milford	219,690,678	232,663,752	13,865,242	0.8%	0.7%	6.0%
21	Sturdy Memorial	197,033,276	224,575,909	26,448,113	0.7%	0.7%	11.8%
22	Heywood	158,814,046	173,775,517	4,662,642	0.6%	0.5%	2.7%
23	Valley Health	157,935,908	178,865,148	4,693,916	0.6%	0.6%	2.6%
24	Harrington	136,978,323	146,455,042	13,625,962	0.5%	0.5%	9.3%
	Shriners	13,074,880	21,887,771	(45,020,870)	0.0%	0.1%	-205.7%
	Grand Total	**26,482,840,578**	**31,895,866,521**	**1,643,842,497**	**100.0%**	**100.0%**	**5.2%**

MGB's Net Assets and Propose CapEx Spending Outpace Other Major Competitors in the Market

	FY20 Total Net Assets	Multiples of MGB	MGB Proposed Capital Spend	MGB Proposed CapEx Spend as a % of Each Entity's FY20 Net Assets
MGB	**$10,620,294**		**$2,400,000**	23%
Boston Children's	$6,501,337	1.6		37%
BI-Lahey	$3,053,081	3.5		79%
Dana Farber	$2,113,342	5.0		114%
UMMHC	$1,055,400	10.1		227%
Wellforce	$737,338	14.4		325%

Net Assets Based on FY20 Publicly Available Audited Financial Statements (in thousands of dollars)

- MGB is proposing to spend **2.4 times** UMMHC's FY20 total net assets or **23%** of MGB total net assets
- MGB's FY20 total net assets were $10.6B; this was **3.5 times** that of BI-Lahey's $3.1B and **10 times** that of UMMHC's $1.1B
- MGB's $2.4B capital spend **doesn't** take into consideration normal capital spend that will naturally occur throughout the year to support plant and equipment needs of the System

Source: Hospital System audited financial statements uploaded to EMMA

Foxborough Inpatient Review

Sturdy's comments to DPH during MGB's Foxborough Location DoN Hearing

- Hospital outpatient services cross subsidize the inpatient and emergency room services because the outpatient services payer mix is always better, resulting in higher payment rates
    - Since the Foxborough Satellite opened in 2009, Sturdy's commercial pay mix has decreased from 44% to just 30% (FY20 was 29%) of total services. The MassHealth payer mix, including Qualified Health Plans, is 20% (FY20 remained flat). This includes our Emergency Department where the payer mix is 31% MassHealth. The all outpatient payer mix at the Foxboro Satellite is almost the opposite of Sturdy's with 62% commercial, and just 5% MassHealth.
- The strategy for tertiary hospital systems to spread into community hospital markets, such as Sturdy's, runs the risk of weakening those hospitals over time. The outpatient services we provide can be replaced, but the inpatient and emergency services are critical to our region would be lost if Sturdy ever closed.
    - ***It is unclear today if Norwood hospital will re-open its 231 licensed IP beds and nursery beds that supported the community leaving 9,874 IP discharges excludes Newborns and 28,580 ED visits to be supported by other health systems in MA*** [(1)]
- The purpose and objective of the DoN program, to quote from the regulations at 105 CMR 100.000, is to encourage competition … to ensure that resources will be made reasonably, and equitably available, to every person within the Commonwealth … advancing the Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation.
    - It cannot be, that the competition which the regulations say should be encouraged by the Department, is the development of services that increase market concentration of higher cost providers at the expense of community-based services.
- Based on information provided by Partners in connection with the DoN application, the Foxborough Satellite already attracts a significant number of patients from Sturdy's primary service area (approximately 34,000 at present), which numbers will increase with the expansion of services and equipment at that site. Notably, the patients served at the Foxborough Satellite also benefit from being proximate to a full-service community hospital should the need arise.
    - It is reasonable to argue that at a minimum, such outpatient providers who piggyback on local community hospitals bear some responsibility for ensuring the availability of the local emergency department and other needed community hospital services.

(1) Based on current facts that were not known at the time of the hearing to support Sturdy's statement

Foxborough Inpatient Discharge Trends: MGB

MGB's Foxborough Location Opened in 2009

Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	13,360	13,172	13,304	13,386	13,392	13,453	37.4%	36.7%	34.9%	34.8%	34.4%	34.2%	93	149	67	0.1%
Medicaid	4,540	4,079	5,500	5,581	5,515	5,531	12.7%	11.4%	14.4%	14.5%	14.2%	14.1%	991	31	(50)	4.0%
Medicare	17,041	17,870	18,559	18,820	19,241	19,247	47.7%	49.9%	48.7%	48.9%	49.4%	49.0%	2,206	688	427	2.5%
Other	769	724	708	684	781	1,074	2.2%	2.0%	1.9%	1.8%	2.0%	2.7%	305	366	390	6.9%
Grand Total	**35,710**	**35,845**	**38,071**	**38,471**	**38,929**	**39,305**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**3,595**	**1,234**	**834**	**1.9%**

MGB Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	4,430	4,322	4,355	4,706	4,848	4,853	59.0%	55.3%	52.5%	54.4%	55.2%	54.5%	423	498	147	1.8%
Medicaid	451	688	905	850	755	663	6.0%	8.8%	10.9%	9.8%	8.6%	7.4%	212	(242)	(187)	8.0%
Medicare	2,490	2,700	2,943	2,944	3,061	3,126	33.2%	34.6%	35.4%	34.0%	34.8%	35.1%	636	183	182	4.7%
Other	132	101	99	150	125	269	1.8%	1.3%	1.2%	1.7%	1.4%	3.0%	137	170	119	15.3%
Grand Total	**7,503**	**7,811**	**8,302**	**8,650**	**8,789**	**8,911**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**1,408**	**609**	**261**	**3.5%**
% of Total Market													***39.2%***	***49.4%***	***31.3%***	

MGB's Market Share							Change		
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17
Commercial	33.2%	32.8%	32.7%	35.2%	36.2%	36.1%	2.9%	3.3%	0.9%
Medicaid	9.9%	16.9%	16.5%	15.2%	13.7%	12.0%	2.1%	-4.5%	-3.2%
Medicare	14.6%	15.1%	15.9%	15.6%	15.9%	16.2%	1.6%	0.4%	0.6%
Other	17.2%	14.0%	14.0%	21.9%	16.0%	25.0%	7.9%	11.1%	3.1%
MGB Market Share	**21.0%**	**21.8%**	**21.8%**	**22.5%**	**22.6%**	**22.7%**	**1.7%**	**0.9%**	**0.2%**

Represents 18 different towns with 22 different zip codes
Medicare and Medicaid includes both traditional and manage care product types
CHIA Inpatient Discharges for Sturdy Medicaid were incorrectly reported in FY15; only 71 discharges in FY15 vs ~1,000 in FY14 and FY16

Foxborough Inpatient Discharge Trends: Sturdy Hospital

MGB's Foxborough Location Opened in 2009

Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	13,360	13,172	13,304	13,386	13,392	13,453	37.4%	36.7%	34.9%	34.8%	34.4%	34.2%	93	149	67	0.1%
Medicaid	4,540	4,079	5,500	5,581	5,515	5,531	12.7%	11.4%	14.4%	14.5%	14.2%	14.1%	991	31	(50)	4.0%
Medicare	17,041	17,870	18,559	18,820	19,241	19,247	47.7%	49.9%	48.7%	48.9%	49.4%	49.0%	2,206	688	427	2.5%
Other	769	724	708	684	781	1,074	2.2%	2.0%	1.9%	1.8%	2.0%	2.7%	305	366	390	6.9%
Grand Total	**35,710**	**35,845**	**38,071**	**38,471**	**38,929**	**39,305**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**3,595**	**1,234**	**834**	**1.9%**

Sturdy Hospitals Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	1,232	1,220	1,221	1,213	1,220	1,225	23.4%	26.5%	20.9%	20.4%	19.7%	19.9%	(7)	4	12	-0.1%
Medicaid	920	71	1,084	1,106	1,157	1,255	17.5%	1.5%	18.6%	18.6%	18.7%	20.4%	335	171	149	6.4%
Medicare	3,026	3,218	3,444	3,546	3,735	3,598	57.5%	70.0%	59.0%	59.6%	60.3%	58.4%	572	154	52	3.5%
Other	89	91	91	80	83	88	1.7%	2.0%	1.6%	1.3%	1.3%	1.4%	(1)	(3)	8	-0.2%
Grand Total	**5,267**	**4,600**	**5,840**	**5,945**	**6,195**	**6,166**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**899**	**326**	**221**	**3.2%**
% of Total Market													***25.0%***	***26.4%***	***26.5%***	

Sturdy's Market Share							Change		
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17
Commercial	9.2%	9.3%	9.2%	9.1%	9.1%	9.1%	-0.1%	-0.1%	0.0%
Medicaid	20.3%	1.7%	19.7%	19.8%	21.0%	22.7%	2.4%	3.0%	2.9%
Medicare	17.8%	18.0%	18.6%	18.8%	19.4%	18.7%	0.9%	0.1%	-0.1%
Other	11.6%	12.6%	12.9%	11.7%	10.6%	8.2%	-3.4%	-4.7%	-3.5%
MGB Market Share	**14.7%**	**12.8%**	**15.3%**	**15.5%**	**15.9%**	**15.7%**	**0.9%**	**0.3%**	**0.2%**

Represents 18 different towns with 22 different zip codes
Medicare and Medicaid includes both traditional and manage care product types
CHIA Inpatient Discharges for Sturdy Medicaid were incorrectly reported in FY15; only 71 discharges in FY15 vs ~1,000 in FY14 and FY16

Foxborough Inpatient Discharge Trends: Steward Health System

MGB's Foxborough Location Opened in 2009

Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	13,360	13,172	13,304	13,386	13,392	13,453	37.4%	36.7%	34.9%	34.8%	34.4%	34.2%	93	149	67	0.1%
Medicaid	4,540	4,079	5,500	5,581	5,515	5,531	12.7%	11.4%	14.4%	14.5%	14.2%	14.1%	991	31	(50)	4.0%
Medicare	17,041	17,870	18,559	18,820	19,241	19,247	47.7%	49.9%	48.7%	48.9%	49.4%	49.0%	2,206	688	427	2.5%
Other	769	724	708	684	781	1,074	2.2%	2.0%	1.9%	1.8%	2.0%	2.7%	305	366	390	6.9%
Grand Total	**35,710**	**35,845**	**38,071**	**38,471**	**38,929**	**39,305**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**3,595**	**1,234**	**834**	**1.9%**

Steward Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	3,772	3,701	3,642	3,426	3,379	3,393	27.8%	26.4%	26.3%	25.1%	24.8%	25.1%	(379)	(249)	(33)	-2.1%
Medicaid	1,942	2,025	2,046	2,097	2,163	2,095	14.3%	14.4%	14.7%	15.4%	15.9%	15.5%	153	49	(2)	1.5%
Medicare	7,579	7,986	7,892	7,843	7,802	7,728	55.8%	57.0%	56.9%	57.5%	57.3%	57.2%	149	(164)	(115)	0.4%
Other	288	305	292	272	261	302	2.1%	2.2%	2.1%	2.0%	1.9%	2.2%	14	10	30	1.0%
Grand Total	**13,581**	**14,017**	**13,872**	**13,638**	**13,605**	**13,518**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**(63)**	**(354)**	**(120)**	**-0.1%**
% of Total Market													***-1.8%***	***-28.7%***	***-14.4%***	

Steward's Market Share									
							Change		
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17
Commercial	28.2%	28.1%	27.4%	25.6%	25.2%	25.2%	-3.0%	-2.2%	-0.4%
Medicaid	42.8%	49.6%	37.2%	37.6%	39.2%	37.9%	-4.9%	0.7%	0.3%
Medicare	44.5%	44.7%	42.5%	41.7%	40.5%	40.2%	-4.3%	-2.4%	-1.5%
Other	37.5%	42.1%	41.2%	39.8%	33.4%	28.1%	-9.3%	-13.1%	-11.6%
MGB Market Share	**38.0%**	**39.1%**	**36.4%**	**35.5%**	**34.9%**	**34.4%**	**-3.6%**	**-2.0%**	**-1.1%**

Represents 18 different towns with 22 different zip codes
Medicare and Medicaid includes both traditional and manage care product types
CHIA Inpatient Discharges for Sturdy Medicaid were incorrectly reported in FY15; only 71 discharges in FY15 vs ~1,000 in FY14 and FY16

Foxborough Inpatient Discharge Trends: BI-Lahey

MGB's Foxborough Location Opened in 2009

Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	13,360	13,172	13,304	13,386	13,392	13,453	37.4%	36.7%	34.9%	34.8%	34.4%	34.2%	93	149	67	0.1%
Medicaid	4,540	4,079	5,500	5,581	5,515	5,531	12.7%	11.4%	14.4%	14.5%	14.2%	14.1%	991	31	(50)	4.0%
Medicare	17,041	17,870	18,559	18,820	19,241	19,247	47.7%	49.9%	48.7%	48.9%	49.4%	49.0%	2,206	688	427	2.5%
Other	769	724	708	684	781	1,074	2.2%	2.0%	1.9%	1.8%	2.0%	2.7%	305	366	390	6.9%
Grand Total	**35,710**	**35,845**	**38,071**	**38,471**	**38,929**	**39,305**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**3,595**	**1,234**	**834**	**1.9%**

BI-Lahey Hospitals Total Discharges (Excluding Newborns) from Foxborough Service Area																
	Discharges						Payor Mix						Change			
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17	CAGR
Commercial	1,581	1,605	1,649	1,708	1,782	1,772	43.9%	41.9%	39.7%	39.8%	38.8%	38.2%	191	123	64	2.3%
Medicaid	223	301	312	377	424	429	6.2%	7.9%	7.5%	8.8%	9.2%	9.3%	206	117	52	14.0%
Medicare	1,726	1,869	2,115	2,145	2,294	2,369	47.9%	48.7%	51.0%	49.9%	50.0%	51.1%	643	254	224	6.5%
Other	72	59	73	65	87	66	2.0%	1.5%	1.8%	1.5%	1.9%	1.4%	(6)	(7)	1	-1.7%
Grand Total	**3,602**	**3,834**	**4,149**	**4,295**	**4,587**	**4,636**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**1,034**	**487**	**341**	**5.2%**
% of Total Market													***28.8%***	***39.5%***	***40.9%***	

BI-Lahey Market Share									
							Change		
Payor Group	FY14	FY15	FY16	FY17	FY18	FY19	FY19 vs FY15	FY19 vs FY16	FY19 vs FY17
Commercial	11.8%	12.2%	12.4%	12.8%	13.3%	13.2%	1.3%	0.8%	0.4%
Medicaid	4.9%	7.4%	5.7%	6.8%	7.7%	7.8%	2.8%	2.1%	1.0%
Medicare	10.1%	10.5%	11.4%	11.4%	11.9%	12.3%	2.2%	0.9%	0.9%
Other	9.4%	8.1%	10.3%	9.5%	11.1%	6.1%	-3.2%	-4.2%	-3.4%
MGB Market Share	**10.1%**	**10.7%**	**10.9%**	**11.2%**	**11.8%**	**11.8%**	**1.7%**	**0.9%**	**0.6%**

Represents 18 different towns with 22 different zip codes
Medicare and Medicaid includes both traditional and manage care product types
CHIA Inpatient Discharges for Sturdy Medicaid were incorrectly reported in FY15; only 71 discharges in FY15 vs ~1,000 in FY14 and FY16

Characteristics of the Proposed Service Area

- MGB Westborough's service area covers an area with few black and Hispanic residents. Construction of this facility will not address health inequity in these populations.
- The communities in MGB Westborough's service area are predominantly white non-Hispanic, though many have significant populations of Asian residents.

City/Town	% Black	% Hispanic	% White Non Hisp	% Asian	% 2+ Races
Bolton	0%	1%	92%	4%	2%
Hopkinton	2%	3%	82%	11%	2%
Southborough	1%	4%	79%	14%	1%
Upton	8%	3%	80%	3%	7%
Northborough	3%	3%	83%	9%	2%
Ashland	2%	7%	78%	11%	2%
Westborough	2%	6%	65%	25%	1%
Grafton	3%	6%	79%	8%	4%
Shrewsbury	3%	5%	70%	19%	4%
Berlin	0%	0%	97%	1%	1%
Hudson	1%	6%	89%	3%	1%
Milford	2%	14%	74%	3%	2%
Framingham	7%	16%	63%	8%	2%
Marlborough	4%	15%	69%	5%	4%
Leominster	7%	19%	69%	3%	4%
Clinton	3%	17%	78%	2%	1%
Fitchburg	5%	29%	62%	2%	5%
Southbridge	3%	33%	63%	0%	4%
Worcester	14%	23%	54%	8%	4%

Data source: Census 2019 ACS 5 Year Estimates

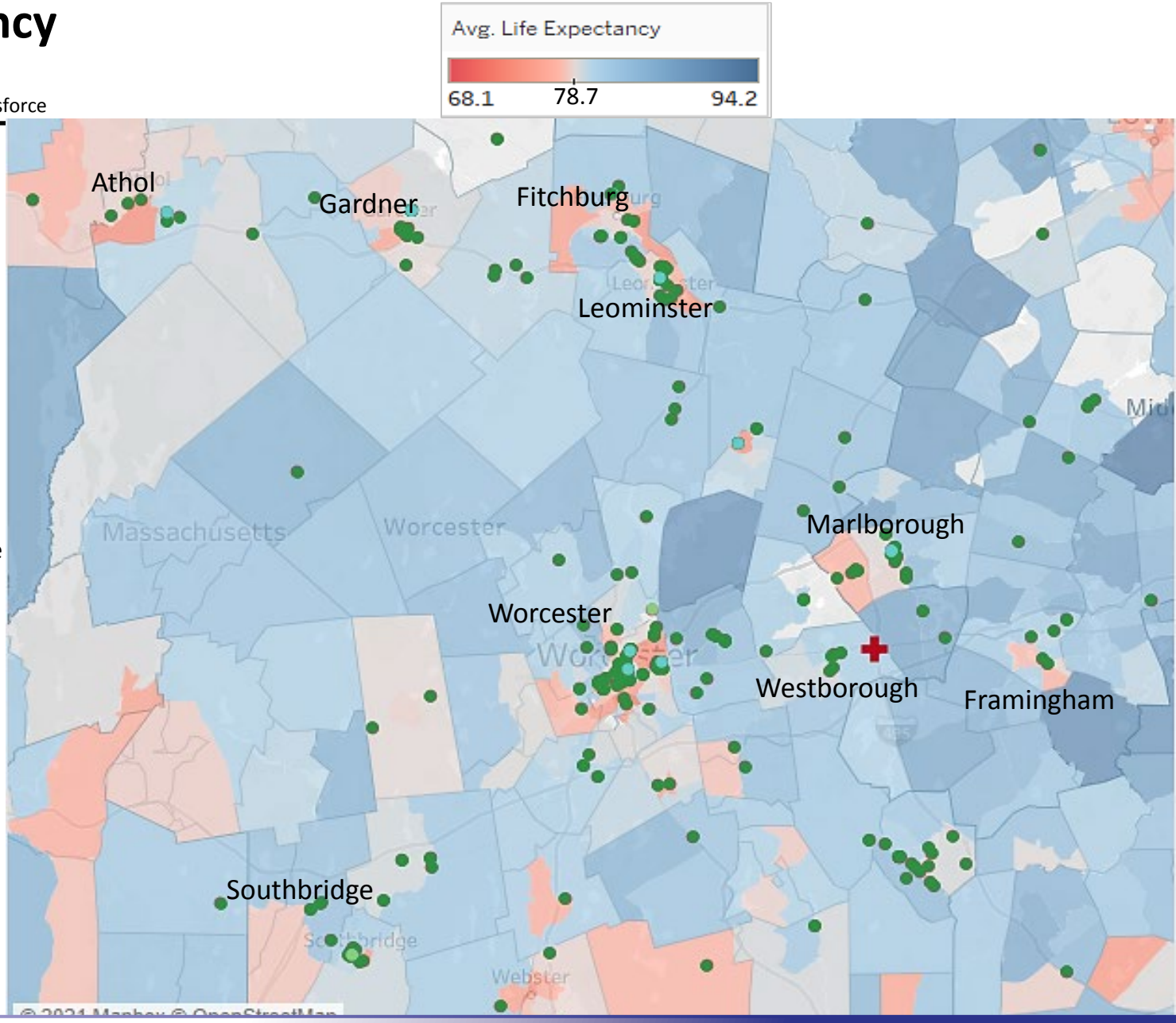
Life Expectancy

Data sources: Census 2019 ACS 5 Year Estimates; CDC SVI Data; UMMHC Salesforce

- UMMHC sites are mostly in areas with:
  - High Social Vulnerability Index (SVI) *(>75%)*
  - **Low Life Expectancy** *(<78.7 yrs.- US)*
  - Low Median HH Income *(<$81,215 dollars - MA)*
  - High % population covered by Medicaid Insurance *(>24% - MA)*
- The MGB proposed site is surrounded by healthier and wealthier communities.

MGB Proposed Site

UMass Sites/Affiliations



Westborough Patient Panel Data Results: Per DoN Application

Based on MGB DoN Filing

Westborough Site

	FY17 Count and %		FY18 Count and %		FY19 Count and %		FY20YTD[3] Count and %	
Total	41,254		42,251		42,666		16,208	
Gender								
Female	25,061	61%	25,538	60%	25,693	60%	10,044	62%
Male/Other/Unknow[a]	16,193	39%	16,713	40%	16,973	40%	6,164	38%
Age								
0-17	3,837	9%	4,093	10%	4,504	11%	1,259	8%
18-64	25,786	63%	26,565	63%	26,855	63%	10,031	62%
65+	11,631	28%	11,593	27%	11,307	27%	4,918	30%
Unknown	-	0%	-	0%	-	0%	-	0%
Race								
American Indian or Alaska Native	53	0%	64	0%	55	0%	11	0%
Asian	2,356	6%	2,502	6%	2,542	6%	973	6%
Black or African American	1,151	3%	1,137	3%	1,187	3%	427	3%
Hispanic/Latino	196	0%	163	0%	140	0%	61	0%
Native Hawaiian or Other Pacific Islander/Other/Unknown[1]	4,034	10%	4,151	10%	4,374	10%	1,355	8%
White	33,464	81%	34,234	81%	34,368	81%	13,381	83%
MGB PCP on Epic?								
Yes	21,374	52%	22,703	54%	22,751	53%	9,872	61%
No	19,880	48%	19,548	46%	19,915	47%	6,336	39%
Risk Contract								
BCBS	6,031	28%	6,574	29%	6,642	29%		
HPHC	1,483	7%	1,452	6%	1,336	6%		
MHACO	228	1%	450	2%	489	2%	N/A- eligibility based on last month of FY	
PACO	1,723	8%	2,142	9%	3,237	14%		
TAHP	687	3%	787	3%	862	4%		
None[4]	11,222	53%	11,298	50%	10,185	45%		

Information included in MGB DoN application

Patient Panel Size by Yr:

FY17: 41,254

FY18: 42,251

FY19: 42,666

FY20YTD: 16,208

Appears that ~20K or 47% of panel does not have a MGB PCP

	Westborough Primary Towns
Total Population, by town 2014-2018	310,753
MGB Patient Panel	42,666
MGB Pt Panel % of Pop	13.7%

MGB Patient Panel W-PCP	22,751
MGB Pt Panel % of Pop	7.3%

[3] FY20 is pulled as of January 7, 2020.

[4] AllWays Health risk data is captured in "None".

Westwood Patient Panel Data Results: Per DoN Application

Based on MGB DoN Filing

Westwood Site

	FY17 Count and %		FY18 Count and %		FY19 Count and %		FY20YTD[5] Count and %	
Total	77,222		78,585		80,859		36,188	
Gender								
Female	46,222	60%	46,861	60%	48,235	60%	22,521	62%
Male/Other/Unknown	31,000	40%	31,724	40%	32,624	40%	13,667	38%
Age								
0-17	8,942	12%	9,507	12%	10,296	13%	2,969	8%
18-64	47,156	61%	48,405	62%	50,494	62%	22,011	61%
65+	21,124	27%	20,673	26%	20,069	25%	11,208	31%
Unknown	-	0%	-	0%	-	0%	-	0%
Race								
American Indian or Alaska Native	108	0%	99	0%	116	0%	52	0%
Asian	2,705	4%	2,933	4%	3,071	4%	1,232	3%
Black or African American	5,822	8%	5,819	7%	6,079	8%	2,656	7%
Hispanic/Latino	2,697	3%	2,595	3%	2,496	3%	1,296	4%
Native Hawaiian or Other Pacific Islander	77	0%	71	0%	82	0%	20	0%
Other/Unknown	7,044	9%	7,684	10%	8,470	10%	3,186	9%
White	58,769	76%	59,384	76%	60,545	75%	27,746	77%
PCP on Epic?								
Yes	40,768	53%	42,740	54%	44,980	56%	24,596	68%
No	36,454	47%	35,845	46%	35,879	44%	11,592	32%
Risk Contract								
BCBS	10,988	27%	11,902	28%	12,429	28%		
HPHC	3,651	9%	3,657	9%	3,659	8%		
MHACO	1,906	5%	3,079	7%	3,314	7%	N/A- eligibility based on last month of FY	
PACE	4,935	12%	5,533	13%	6,185	14%		
TAHP	1,287	3%	1,421	3%	1,519	3%		
N-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		

Patient Panel Size by Yr:

FY17: 77,222

FY18: 78,585

FY19: 80,859

FY20YTD: 36,188

Appears that ~36K or 44% of panel does not have a MGB PCP

	Westwood Primary Towns
Total Population, by town 2014-2018	230,830
MGB Patient Panel	80,859
MGB Pt Panel % of Pop	35.0%

MGB Patient Panel W-PCP	44,980
MGB Pt Panel % of Pop	19.5%

[3] FY20 is pulled as of January 7, 2020.

[4] AllWays Health risk data is captured in "None".

Woburn Patient Panel Data Results: Per DoN Application

Based on MGB DoN Filing

Woburn Site

	FY17 Count and %		FY18 Count and %		FY19 Count and %		FY20YTD[7] Count and %	
Total	97,072		98,587		103,846		44,465	
Gender								
Female	56,294	58%	56,961	58%	59,501	57%	26,421	59%
Male/Other/Unknown[1]	40,778	42%	41,626	42%	44,345	43%	18,044	41%
Age								
0-17	10,610	11%	11,428	12%	12,499	12%	4,604	10%
18-64	62,121	64%	63,459	64%	66,952	64%	27,090	61%
65+	24,341	25%	23,700	24%	24,395	23%	12,771	29%
Unknown	-	0%	-	0%	-	0%	-	0%
Race								
American Indian or Alaska Native	86	0%	101	0%	128	0%	51	0%
Asian	7,240	7%	7,571	8%	8,165	8%	3,380	8%
Black or African American	3,079	3%	3,190	3%	3,365	3%	1,359	3%
Hispanic/Latino	340	0%	320	0%	314	0%	144	0%
Native Hawaiian or Other Pacific Islander	53	0%	50	0%	55	0%	20	0%
Other/Unknown	10,625	11%	10,872	11%	12,314	12%	4,174	9%
White	75,649	78%	76,483	78%	79,505	77%	35,337	79%
PCP on Epic?								
Yes	43,800	45%	46,162	47%	49,882	48%	26,698	60%
No	53,272	55%	52,425	53%	53,964	52%	17,767	40%
Risk Contract								
BCBS	13,007	30%	14,249	31%	14,725	30%		
HPHC	2,848	7%	2,746	6%	2,660	5%		
MHACO	1,531	3%	2,742	6%	3,085	6%	N/A- eligibility based on last month of FY	
PACO	4,792	11%	5,176	11%	6,370	13%		
TAHP	1,409	3%	1,436	3%	1,546	3%		
None[4]	30,313	46%	19,813	43%	21,496	43%		

Patient Panel Size by Yr:

FY17: 97,072

FY18: 98,587

FY19: 103,846

FY20YTD: 44,465

Appears that ~54K or 52% of panel does not have a MGB PCP

	Woburn Primary Towns
Total Population, by town 2014-2018	504,680
MGB Patient Panel	103,846
MGB Pt Panel % of Pop	20.6%

MGB Patient Panel W-PCP	49,882
MGB Pt Panel % of Pop	9.9%

[3] FY20 is pulled as of January 7, 2020.

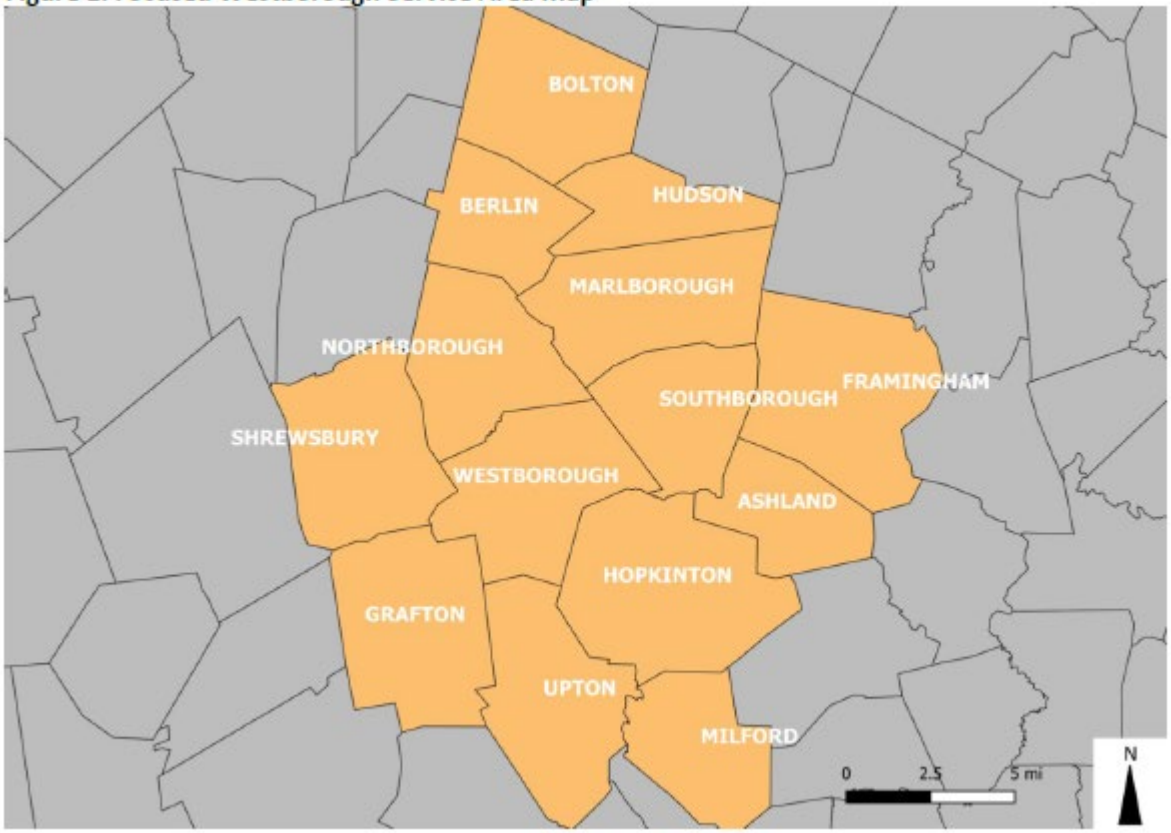
[4] AllWays Health risk data is captured in "None".

Information included in MGB DoN application

MGB Westborough Target Communities

Information included in MGB's DoN Application

Figure 1. Focused Westborough Service Area Map



MGB's Proposed Woburn service area population is 1.6 times the size of Westborough service area

	Total Population 2014-2018
Westborough	310,753
Woburn	504,680
Westwood	230,830

(per MGB DoN application)

MGB Westborough proximity to Local Hospitals*:

Med Ctr Univ: 11.6 miles, 20 min
Marlborough Hosp: 7.9 miles, 14 min
Milford Hospital: 13.7 miles, 20 min
MetroWest: 10.5 miles, 18 min
St. Vincent's: 12.8 miles, 26 min

Driving distances and times based on MapQuest

Attachment 2 Primary Service Area Zip Codes

Westborough Project Site
01503
01519
01532
01536
01545
01568
01581
01701
01702
01721
01740
01745
01748
01749
01752
01757
01772

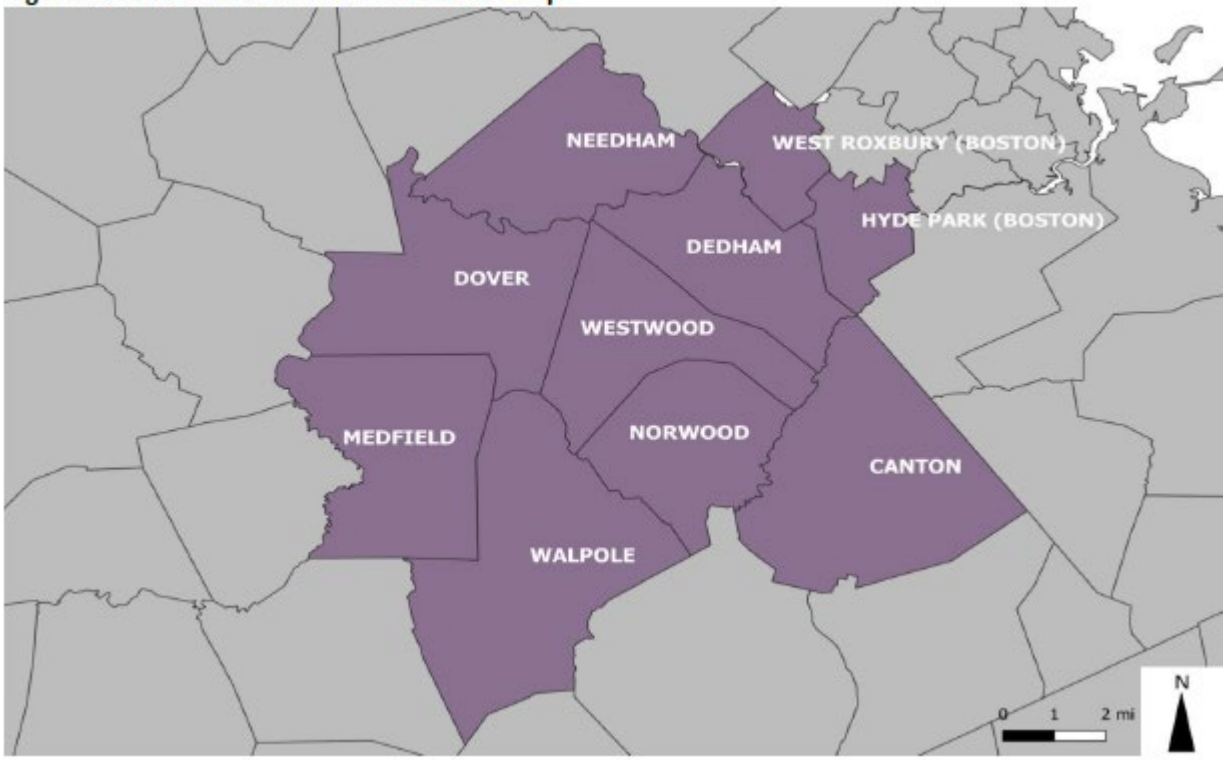
DoN application states that there are no independent hospitals within proposed area; Milford Regional Hospital is listed on Mass.gov as an independent hospital

Partners Defined Focus Towns in Westwood Service Area

Total Population: 230,830 (per MGB DoN application)

Information included in MGB DoN application

Figure 1. Focused Westwood Service Area Map



Attachment 2
Primary Service Areas

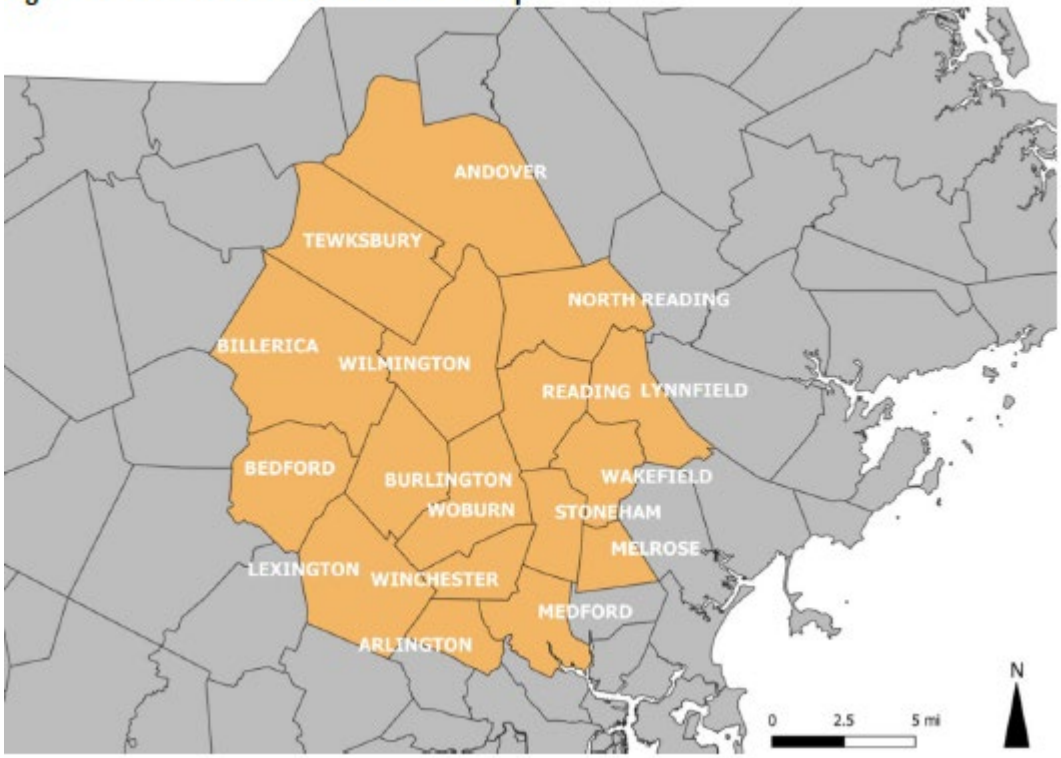
Westborough Project Site	Woburn Project Site	Westwood Project Site
01503	01730	02021
01519	01731	02026
01532	01801	02030
01536	01810	02032
01545	01864	02052
01568	01821	02062
01581	02420	02081
01701	02421	02132
01702	02474	02136
01721	02476	02492
01740	01876	02494
01745	01803	02090
01748	01867	
01749	01880	
01752	01887	
01757	01890	
01772	01940	
	02153	
	02155	
	02176	
	02180	

Partners Defined Focus Towns in Woburn Service Area

Total Population: 504,680 (per MGB DoN application)

Information included in MGB DoN application

Figure 1. Focused Woburn Service Area Map



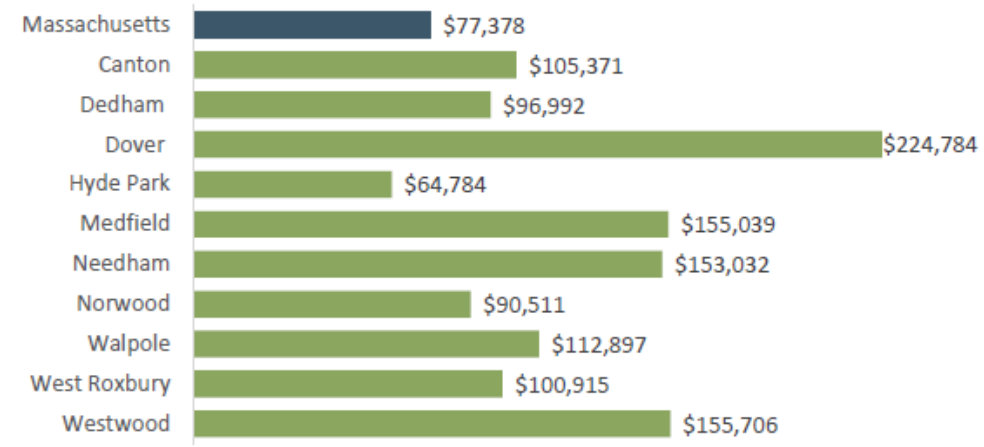
Attachment 2
Primary Service Areas

Westborough Project Site	Woburn Project Site	Westwood Project Site
01503	01730	02021
01519	01731	02026
01532	01801	02030
01536	01810	02032
01545	01864	02052
01568	01821	02062
01581	02420	02081
01701	02421	02132
01702	02474	02136
01721	02476	02492
01740	01876	02494
01745	01803	02090
01748	01867	
01749	01880	
01752	01887	
01757	01890	
01772	01940	
	02153	
	02155	
	02176	
	02180	

DoN application states that there are <u>no</u> independent hospitals within proposed area; Emerson Hospital is listed on Mass.gov as an independent hospital

MGB Westwood Location: Median Income and Poverty Percentage by Town: As reported in MGB's DoN Application

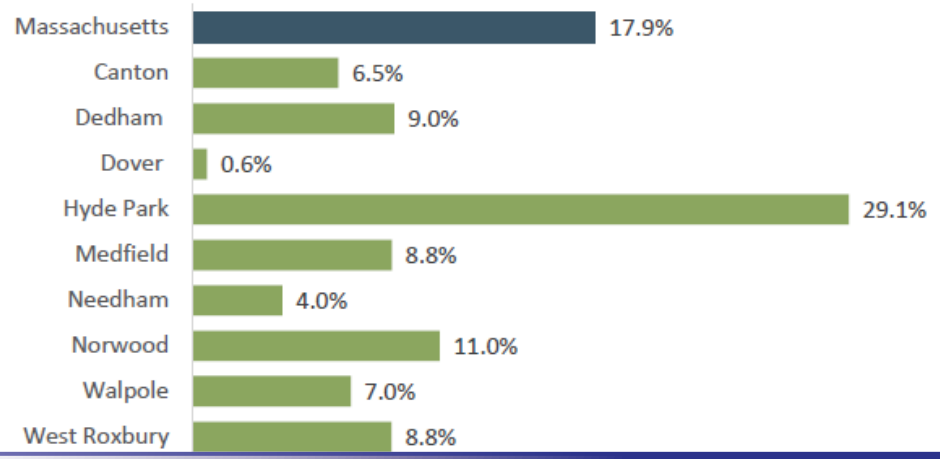
Figure 13. Median Household Income in Massachusetts, by Town and Boston Neighborhood, 2014-2018



DATA SOURCE: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018.

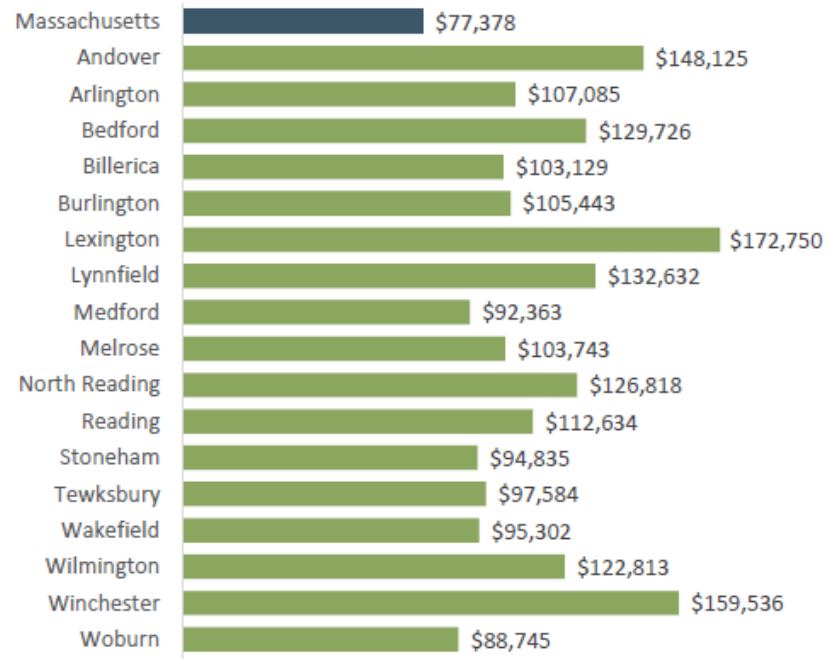
All but one town above Statewide median income level

Figure 15. Percent Families Living Below 200% of Poverty Level, in Massachusetts, by Town, and Boston Neighborhood, 2014-2018



MGB Woburn Location: Median Income and Poverty Percentage by Town: As reported in MGB's DoN Application

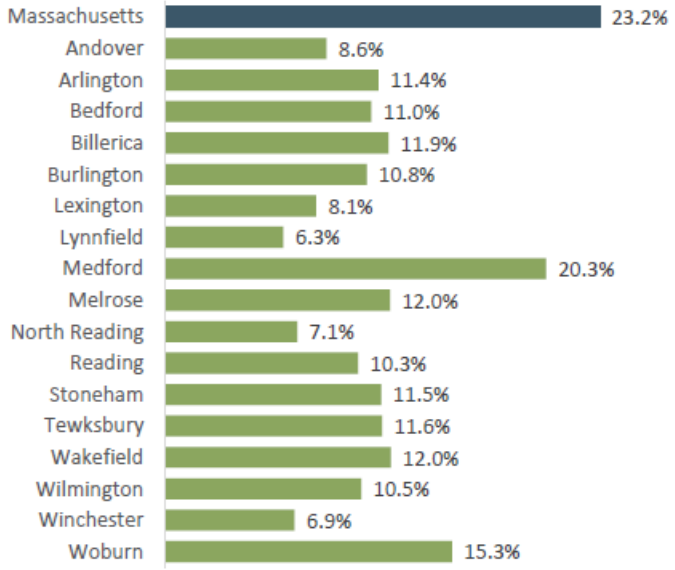
Figure 13. Median Household Income, in Massachusetts and by Town, 2014-2018



DATA SOURCE: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018.

All towns in service area above Statewide median income level

Figure 14. Percent Individuals Living Below 200% of Poverty Level, in Massachusetts and by Town, 2014-2018



Sg2 Inpatient Market Forecast: UMMHC Total Service Area

Sg2 Service Lines	Discharges			Patient Days			CAGR Discharges		CAGR Patient Days	
	2019	2024	2029	2019	2024	2029	5 Yr	10 Yr	5 Yr	10 Yr
Infectious Disease	11,953	13,451	12,670	70,001	78,429	75,097	2.4%	0.6%	2.3%	1.4%
Cardiology	10,977	11,665	12,238	53,137	57,195	60,323	1.2%	1.1%	1.5%	2.6%
Obstetrics	10,876	10,761	10,795	34,877	32,857	32,320	-0.2%	-0.1%	-1.2%	-1.5%
Behavioral Health	9,231	9,996	10,215	77,877	81,849	86,369	1.6%	1.0%	1.0%	2.1%
Orthopedics	8,039	8,377	8,558	26,798	27,862	29,395	0.8%	0.6%	0.8%	1.9%
General Surgery	7,084	7,241	7,172	34,732	37,566	37,704	0.4%	0.1%	1.6%	1.7%
General Medicine	6,697	6,593	6,641	22,025	23,038	24,312	-0.3%	-0.1%	0.9%	2.0%
Pulmonology	5,864	5,988	6,143	27,183	30,396	33,464	0.4%	0.5%	2.3%	4.2%
Neonatology	5,350	5,554	5,288	30,078	29,727	27,949	0.8%	-0.1%	-0.2%	-1.5%
Normal Newborn	5,814	5,349	5,404	14,175	13,040	13,172	-1.7%	-0.7%	-1.7%	-1.5%
Gastroenterology	5,027	5,176	5,356	23,104	24,658	26,147	0.6%	0.6%	1.3%	2.5%
Neurosciences	4,853	5,123	5,406	22,832	24,729	26,438	1.1%	1.1%	1.6%	3.0%
Cancer	4,572	4,567	4,585	27,832	28,277	28,457	0.0%	0.0%	0.3%	0.4%
Endocrine	2,137	2,216	2,249	9,492	10,566	12,092	0.7%	0.5%	2.2%	5.0%
Nephrology	2,030	2,172	2,153	9,620	10,840	11,758	1.4%	0.6%	2.4%	4.1%
Spine	2,114	2,077	2,024	8,031	8,033	7,982	-0.4%	-0.4%	0.0%	-0.1%
Dermatology	1,918	1,885	1,854	7,188	7,283	7,679	-0.3%	-0.3%	0.3%	1.3%
Vascular	1,642	1,602	1,637	6,875	6,441	6,510	-0.5%	0.0%	-1.3%	-1.1%
Hepatology	991	1,218	1,191	5,833	7,914	8,475	4.2%	1.9%	6.3%	7.8%
Hematology	1,191	1,155	1,114	5,142	5,279	5,784	-0.6%	-0.7%	0.5%	2.4%
Urology	812	782	774	2,584	2,596	2,585	-0.8%	-0.5%	0.1%	0.0%
ENT	489	467	464	1,664	1,630	1,623	-0.9%	-0.5%	-0.4%	-0.5%
Gynecology	486	419	420	1,235	1,132	1,252	-2.9%	-1.4%	-1.7%	0.3%
Rheumatology	349	358	372	1,815	1,877	1,993	0.5%	0.6%	0.7%	1.9%
Burns and Wounds	301	299	307	1,961	2,033	2,073	-0.1%	0.2%	0.7%	1.1%
Allergy and Immunology	132	131	127	382	405	402	-0.2%	-0.4%	1.2%	1.0%
Ophthalmology	111	111	110	343	351	354	0.0%	-0.1%	0.5%	0.6%
Breast Health	100	100	99	314	323	335	0.0%	-0.1%	0.6%	1.3%
Genetics	96	98	88	461	441	357	0.4%	-0.9%	-0.9%	-5.0%
Not Assigned	7	7	8	10	11	12	0.0%	1.3%	1.9%	3.7%
Grand Total	**111,243**	**114,938**	**115,462**	**527,601**	**556,778**	**572,413**	**0.7%**	**0.4%**	**1.1%**	**1.6%**

- Sg2 estimates that UMMHC's total service area (TSA) is projected to have an annual increase in IP discharges of 0.4% to 0.7%
- Inpatient patient days are estimated to increase by 1.1% to 1.6% annually
  - Outpacing IP discharges
- Major Service changes in volume:
  - Between 2019 and 2024 much of the growth will be in service lines such as: infectious disease, cardiology, and hepatology, behavioral health, nephrology
  - GYN and Newborns are projected to have the largest decreases between 2019 and 2024

Source: Sg2 Outpatient Market Forecaster; Service Line Definitions based on Sg2

Sg2 Outpatient Market Forecast: UMMHC Total Service Area

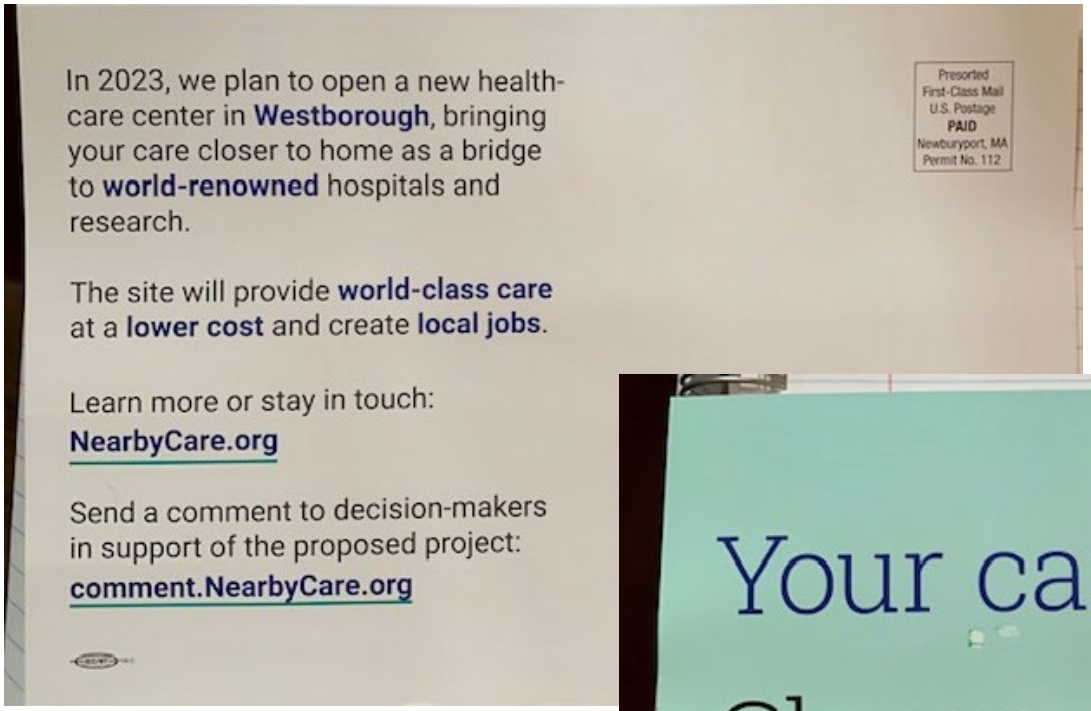
	All			CAGR		Virtual Only			All Except Virtual			CAGR	
Sg2 Service Line	**2019**	**2024**	**2029**	**5 Year**	**10 Year**	**2019**	**2024**	**2029**	**2019**	**2024**	**2029**	**5 Year**	**10 Year**
Urology	224,957	258,817	288,702	2.8%	2.5%	0	10,394	25,738	224,957	248,423	262,964	2.0%	1.6%
Endocrine	372,491	427,200	491,430	2.8%	2.8%	0	31,953	79,010	372,491	395,247	412,420	1.2%	1.0%
Nephrology	190,554	217,277	246,009	2.7%	2.6%	0	3,950	9,279	190,554	213,327	236,730	2.3%	2.2%
Vascular	147,841	168,458	191,838	2.6%	2.6%	0	3,492	6,188	147,841	164,966	185,650	2.2%	2.3%
Cardiology	728,981	827,076	942,358	2.6%	2.6%	0	40,744	62,117	728,981	786,332	880,241	1.5%	1.9%
Neonatology	37,772	42,791	41,150	2.5%	0.9%	0	977	2,122	37,772	41,814	39,028	2.1%	0.3%
Behavioral Health	2,542,416	2,878,260	3,150,891	2.5%	2.2%	0	75,109	165,025	2,542,416	2,803,151	2,985,866	2.0%	1.6%
Burns and Wounds	135,404	152,506	170,629	2.4%	2.3%	0	5,983	10,197	135,404	146,523	160,432	1.6%	1.7%
Hematology	57,578	64,844	71,559	2.4%	2.2%	0	4,354	10,712	57,578	60,490	60,847	1.0%	0.6%
Cancer	607,040	681,803	756,731	2.4%	2.2%	0	11,884	44,772	607,040	669,919	711,959	2.0%	1.6%
Rheumatology	143,156	160,404	173,477	2.3%	1.9%	0	6,607	16,221	143,156	153,797	157,256	1.4%	0.9%
Hepatology	33,109	36,743	39,603	2.1%	1.8%	0	1,656	3,960	33,109	35,087	35,643	1.2%	0.7%
Pulmonology	405,049	449,138	484,264	2.1%	1.8%	0	21,185	38,308	405,049	427,953	445,956	1.1%	1.0%
Ophthalmology	718,651	794,692	856,779	2.0%	1.8%	0	30,669	75,476	718,651	764,023	781,303	1.2%	0.8%
Dermatology	618,691	682,084	726,958	2.0%	1.6%	0	66,252	127,255	618,691	615,832	599,703	-0.1%	-0.3%
Gastroenterology	258,073	283,157	299,313	1.9%	1.5%	0	11,766	28,867	258,073	271,391	270,446	1.0%	0.5%
General Surgery	158,065	173,044	188,889	1.8%	1.8%	0	2,683	7,196	158,065	170,361	181,693	1.5%	1.4%
Neurosciences	531,438	577,304	622,567	1.7%	1.6%	0	23,218	37,082	531,438	554,086	585,485	0.8%	1.0%
Genetics	21,869	23,739	25,238	1.7%	1.4%	0	1,443	2,113	21,869	22,296	23,125	0.4%	0.6%
ENT	599,580	644,834	676,191	1.5%	1.2%	0	36,654	82,502	599,580	608,180	593,689	0.3%	-0.1%
Orthopedics	2,527,508	2,711,559	2,844,945	1.4%	1.2%	0	35,688	75,792	2,527,508	2,675,871	2,769,153	1.1%	0.9%
General Medicine	2,600,127	2,785,243	2,925,617	1.4%	1.2%	0	158,540	336,382	2,600,127	2,626,703	2,589,235	0.2%	0.0%
Infectious Disease	205,303	219,102	231,654	1.3%	1.2%	0	19,375	33,292	205,303	199,727	198,362	-0.5%	-0.3%
Allergy and Immunology	202,478	214,660	210,060	1.2%	0.4%	0	11,752	22,837	202,478	202,908	187,223	0.0%	-0.8%
Spine	1,993,705	2,049,532	2,108,667	0.6%	0.6%	0	27,217	40,652	1,993,705	2,022,315	2,068,015	0.3%	0.4%
Breast Health	106,252	109,058	110,078	0.5%	0.4%	0	574	1,284	106,252	108,484	108,794	0.4%	0.2%
Obstetrics	224,200	229,419	226,084	0.5%	0.1%	0	2,369	5,465	224,200	227,050	220,619	0.3%	-0.2%
Normal Newborn	5,798	5,793	5,856	0.0%	0.1%	0	321	718	5,798	5,472	5,138	-1.2%	-1.2%
Gynecology	374,559	372,426	378,218	-0.1%	0.1%	0	16,984	35,812	374,559	355,442	342,406	-1.0%	-0.9%
Grand Total	**16,772,645**	**18,240,963**	**19,485,755**	**1.7%**	**1.5%**	**0**	**663,793**	**1,386,374**	**16,772,645**	**17,577,170**	**18,099,381**	**0.9%**	**0.8%**

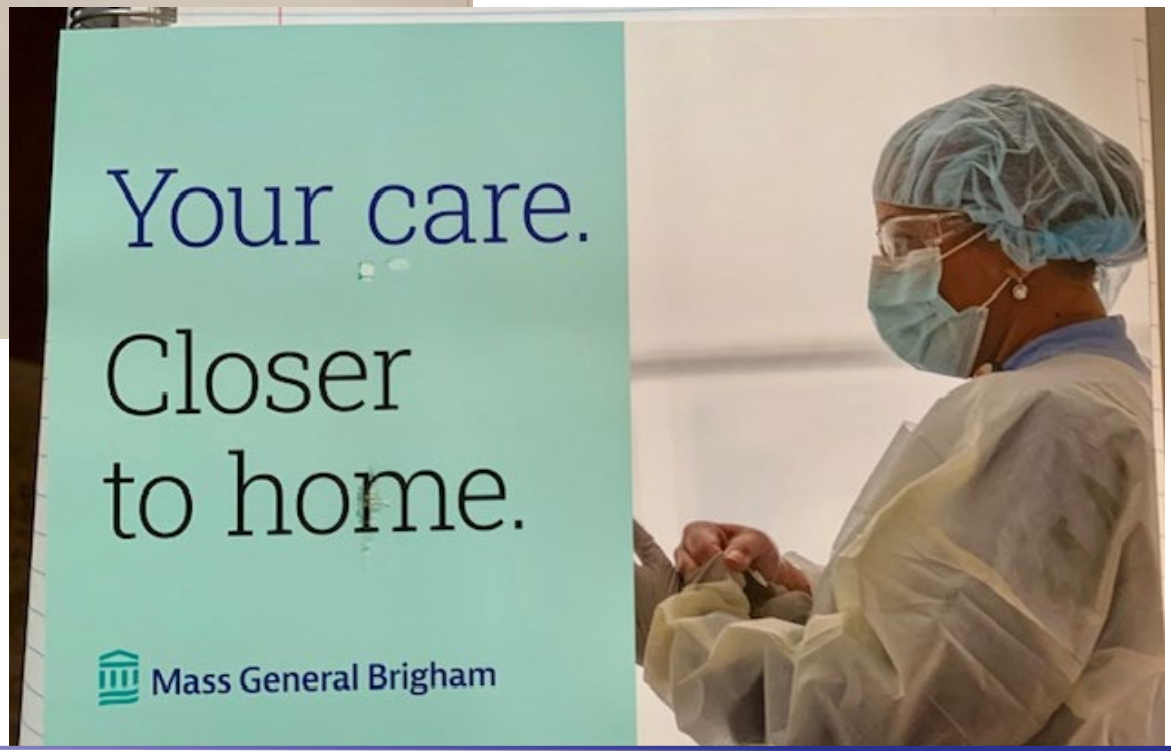
Proposed MGH-Brigham Westborough Services

- UMMHC total service area is projected to an annual growth rate of 1.5% to 1.7% for all outpatient services
- Proposed MGH-Brigham services are projected to have annual growth rates of 1.2% to 2.6% depending on specialty
- Virtual visits are projected to represent 3.6% to 7% of future OP volume

Source: Sg2 Outpatient Market Forecaster; Service Line Definitions based on Sg2

MGB's Westborough Marketing Post Cards Just Recently Sent to Westborough Residents





Best Place To Give Care – Best Place to Get Care

Everyone, Everyday.