

# **HEALTH POLICY COMMISSION NOTICE OF MATERIAL CHANGE FORM**

**Health Policy Commission  
Two Boylston Street  
6<sup>th</sup> Floor  
Boston, MA 02116**

## GENERAL INSTRUCTIONS

The attached form should be used by a provider or provider organization to provide a notice of material change ("Notice") to the Health Policy Commission ("Commission"), as required under § 13 of M.G.L. c. 6D. To complete the Notice, it is necessary to read and comply with Bulletin 2013-1 issued by the Commission, **Interim Guidance for Providers and Provider Organizations Relative to Notice of Material Change to the Health Policy Commission ("Interim Guidance")**. The Interim Guidance may be obtained on the Commission's website at [www.mass.gov/hpc](http://www.mass.gov/hpc). For further assistance, please contact the Health Policy Commission at [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us). This form is subject to statutory and regulatory changes that may take place from time to time.

### *WHO NEEDS TO FILE*

This Notice should be submitted by any provider or provider organization with \$25,000,000 in net patient service revenue or more in the preceding fiscal year that is proposing a material change, as defined by the Interim Guidance. Notice must be filed with the Commission not less than 60 days before the effective date of the proposed change.

### *SUBMISSION OF NOTICE*

One electronic copy of the Notice, in a portable document form (pdf), should be submitted to the following:

Health Policy Commission  
[HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us)

Office of the Attorney General  
[HCD-6D-NOTICE@state.ma.us](mailto:HCD-6D-NOTICE@state.ma.us)

Center for Health Information and Analysis  
[CHIA-Legal@state.ma.us](mailto:CHIA-Legal@state.ma.us)

### *PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW*

If the information provided in the Notice is incomplete or if the Commission determines clarification of the information submitted is needed to make its decision, the Commission may require the notifying organization to submit such supplemental information within 30 days of receipt of the initial Notice.

The Commission will notify each notifying organization of its decision to proceed with a cost and market impact review within 30 days of its receipt of a completed Notice and all necessary supplemental information.

### *PUBLIC DISCLOSURE*

Pursuant to Bulletin 2013-1 issued by the Commission, all information collected by the Commission in connection with a Notice shall be deemed to be a public record.

## NOTICE OF MATERIAL CHANGE

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Date of Notice: November 8, 2013

1.	Name:	Partners HealthCare System, Inc.
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-3230035	N/A	N/A

Contact Information						
3.	Business Address 1:	800 Boylston Street				
4.	Business Address 2:	Suite 1150				
5.	City:	Boston	State:	MA	Zip Code:	02199
5.	Business Website:	www.partners.org				
7.	Contact First Name:	Brent	Contact Last Name:	Henry		
8.	Title:	Vice President and General Counsel				
9.	Contact Phone:	617-278-1065	Extension:			
10.	Contact Email:	bhenry1@partners.org				

Description of Organization	
11.	<i>Briefly</i> describe your organization.
<p>Partners HealthCare System, Inc. ("PHS") is the parent organization of an integrated health system ("Partners HealthCare") founded by Brigham and Women's Hospital and Massachusetts General Hospital. In addition to its two academic medical centers, Partners HealthCare includes community and specialty hospitals, a managed care organization, community health centers, a physician network, home health and long-term care services, and other health-related entities. Partners HealthCare is one of the nation's leading biomedical research organizations and its hospitals are principal teaching affiliates of Harvard Medical School. PHS and substantially all of the organizations that comprise Partners HealthCare are non-profit organizations.</p>	

Type of Material Change			
12.	Check the box that most accurately describes the proposed material change:		
	<input type="checkbox"/> Merger or affiliation with a carrier <input type="checkbox"/> Acquisition of or acquisition by a carrier <input checked="" type="checkbox"/> Merger with or acquisition of or by a hospital or a hospital system <input type="checkbox"/> Any other acquisition, merger, or affiliation between a provider organization and another provider organization where such acquisition, merger, or affiliation would result in an increase in annual net patient service revenue of the provider or provider organization of more than \$10,000,000 <input type="checkbox"/> Any clinical affiliation between a provider or provider organization with another provider or provider organization which itself has an annual net patient service revenue of more than \$25,000,000 <input type="checkbox"/> Formation of a partnership, joint venture, common entity, accountable care organization, or parent corporation created for the purpose of contracting on behalf of more than one provider or provider organizations		
13.	<table border="1"> <tr> <td>What is the proposed effective date of the proposed material change?</td> <td>Promptly following receipt of all required approvals.</td> </tr> </table>	What is the proposed effective date of the proposed material change?	Promptly following receipt of all required approvals.
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Material Change Narrative			
14.	<p><i>Briefly</i> describe the nature and objectives of the proposed material change:</p> <p>Pursuant to a Memorandum of Understanding (“MOU”) dated March 13, 2013 by and between Hallmark Health Corporation (“HHC”), on behalf of itself and its affiliates, and PHS, on behalf of itself and its affiliates, HHC will adopt amendments to its corporate bylaws that make PHS the sole corporate member of HHC, thus effecting a change of control of HHC and its affiliates (the “Affiliation”). As a result of this Affiliation, HHC will become a first tier entity within PHS, and PHS will have sole corporate authority over HHC, consistent with its authority over other first tier entities within PHS. The Affiliation will be effectuated through one or more definitive agreements to be negotiated by the parties.</p> <p>PHS and HHC recognize that the health care delivery system is undergoing a rapid transformation, with state and federal health care reform laws, health insurers, and health care providers driving changes in the way care is both paid for and delivered in order to reduce costs and improve quality. The parties understand that this transformation will require the redesign of care across the full care continuum, including the redirection of resources to community-based care and the development of methods to both bend the cost curve and improve quality and outcomes. PHS and HHC have embraced these challenges and have developed a shared vision to transform the way they provide health care through implementation of a robust population health management (“PHM”) model for the “Northern Corridor” communities that they jointly serve.</p> <p>The Affiliation will result in the full integration of the parties’ governance and clinical and business operations which in turn will permit the parties to rationalize and upgrade certain of their facilities and clinical programs and to invest in primary care development and state-of-the-art information systems and infrastructure, all of which will provide the foundation for the development and implementation of the parties’ PHM model of care.</p>		

15.	<i>Briefly describe the anticipated impact of the proposed material change:</i>
	The Affiliation will enable the parties to implement their PHM model of care, and they fully intend and expect that the result will be improvements in the availability and accessibility of care, enhancements of community-based clinical offerings and economic and operational efficiencies, all of which will, in turn, mean higher quality and more cost effective health care for the patients in the Northern Corridor communities and moderation in the rate of growth in healthcare expenditures for the benefit of patients and employers.

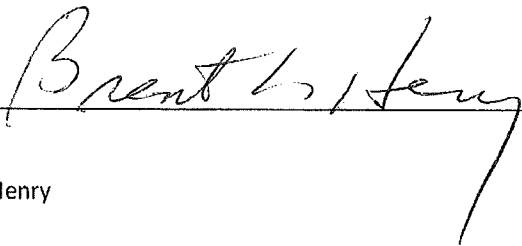
<b>Development of the Material Change</b>	
16.	Describe any other material changes you anticipate making in the next 12 months:
	<p>Based on executed agreements that are in place on the date hereof, PHS anticipates that it will complete the following "material changes" (as defined in the Commission's Bulletin 2013-1) in the next twelve months:</p> <ul style="list-style-type: none"> <li>1) the acquisition of South Shore Health and Educational Corporation and its affiliated organizations, including South Shore Hospital; and</li> <li>2) the acquisition of Harbor Medical Associates, P.C.</li> </ul>
17.	Indicate the date and nature of any applications, forms, notices or other materials you have submitted regarding the proposed material change to any other state or federal agency:
	On October 11, 2013, PHS and HHC each filed a Hart-Scott-Rodino ("HSR") notice with the United States Department of Justice and the Federal Trade Commission in connection with the Affiliation. PHS and HHC also provided copies of their respective HSR notices to the Massachusetts Office of the Attorney General.

**Affidavit of Truthfulness and Proper Submission**

I, the undersigned, certify that:

1. I have read the Health Policy Commission Bulletin 2013-1, **Interim Guidance for Providers and Provider Organizations Relative to Notice of Material Change to the Health Policy Commission.**
2. I have read this Notice of Material Change and the information contained therein is accurate and true.
3. I have submitted the required copies of this Notice to the Health Policy Commission and to all relevant agencies (see below\*) as required.

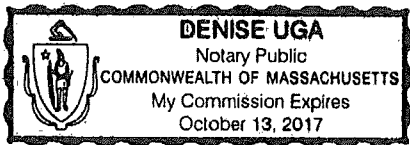
Signed on the 8th day of November, 2013, under the pains and penalties of perjury.

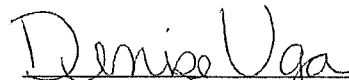
Signature: 

Name: Brent L. Henry

Title: Vice President and General Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



  
Notary Signature

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)