

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

**Health Policy Commission
Two Boylston Street
6th 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. For further assistance, please contact the Health Policy Commission at 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

Office of the Attorney General
HCD-6D-NOTICE@state.ma.us

Center for Health Information and Analysis
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

Date of Notice: April 22, 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			
Contact Information					
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.	<p><i>Briefly describe your organization.</i></p> <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>On or about October 1, 2013.</td> </tr> </table>	What is the proposed effective date of the proposed material change?	On or about October 1, 2013.
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Material Change Narrative			
14.	<p><i>Briefly describe the nature and objectives of the proposed material change:</i></p> <p>South Shore Health and Educational Corporation ("<u>SSHEC</u>"), the parent of South Shore Hospital ("<u>SSH</u>"), PHS and its subsidiary, Brigham and Women's Health Care, Inc. have entered into a definitive Affiliation Agreement, dated December 21, 2012 (the "<u>Affiliation Agreement</u>"). The Affiliation Agreement contemplates a change in ownership of SSHEC (and, indirectly, SSH). Pursuant to the Affiliation Agreement, PHS will become the sole corporate member of SSHEC, and SSH will become an indirectly controlled subsidiary of PHS (collectively, the "<u>Affiliation</u>").</p> <p>The objective of the Affiliation is to provide the foundation for developing a population health management ("<u>PHM</u>") system of the future for patients in Southeastern Massachusetts. Pursuant to the Affiliation, the parties will pro-actively improve population health, expand access to needed health care services across the care continuum, and provide health care services in a more patient centered manner, with the goal of moderating the rate growth of health care expenditures in Southeastern Massachusetts. The parties to the Affiliation believe that the future needs of the Southern Massachusetts community and the evolution of the health care delivery in Massachusetts require the redesign of care along the full care continuum, including the redirection of resources to community based care and development of new capabilities to deliver PHM and expand access to health care services in Southeastern Massachusetts. This will require: (i) designing and developing medical homes and pre and post-acute services in those communities to provide sufficient capability and coordination of care on the full care continuum; (ii) aligning physicians and other providers for the next generation of health care delivery; (iii) information technology and infrastructure to support PHM and assumption of financial risk for the quality and cost of health care; and (iv) redesigning care to prevent or reduce episodic and avoidable acute care delivery.</p>		
15.	<p><i>Briefly describe the anticipated impact of the proposed material change:</i></p> <p>Formal integration of the parties' governance and clinical and business operations through the Affiliation will permit the parties to deploy significant financial and human resources in a targeted, coordinated and non-duplicative manner in order to improve accessibility and availability of health care services for patients in Southeastern Massachusetts at the right time, site, level of care and value. The Affiliation will enhance clinical care and is intended to yield economic and operational efficiencies. This is expected to result in the delivery of high quality, cost effective health care to all patients served by the parties in Southeastern Massachusetts, expand access to needed health care services, and should contribute, over time, to moderating the rate of growth in health care expenditures for the benefit of patients and employers.</p>		

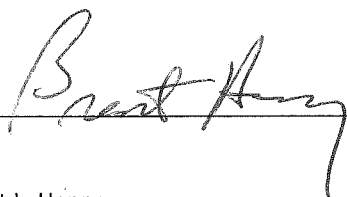
Development of the Material Change	
16.	Describe any other material changes you anticipate making in the next 12 months:
	<p>Based on executed agreements that are in place on the date hereof, PHS anticipates that it will complete the following "material changes" (as defined in the Commission's Bulletin 2013-1) in the next twelve months:</p> <p style="padding-left: 40px;">1) the acquisition of Cooley Dickinson Health Care Corporation and its affiliated organizations, including Cooley Dickinson Hospital; and</p> <p style="padding-left: 40px;">2) the acquisition of Hallmark Health Corporation and its affiliated organizations, including Hallmark Health System.</p>
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:
	<p>On July 27, 2012, PHS and SSHEC each filed a Hart-Scott-Rodino ("HSR") notice with the United States Department of Justice ("DOJ") and the Federal Trade Commission in connection with the Affiliation. The DOJ asserted jurisdiction over the Affiliation and issued a "second request" to each of the parties for additional documents and information. The parties have substantially completed their respective responses to this second request. The Massachusetts Office of the Attorney General ("AGO") is also reviewing the proposed Affiliation. The parties have submitted to AGO all of their HSR materials and have responded, and continue to respond, to AGO's requests for information about the Affiliation.</p>

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.

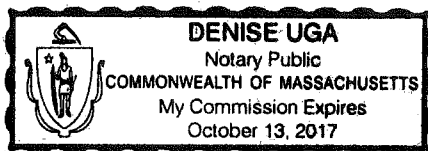
Signed on the 22nd day of April, 2013, under the pains and penalties of perjury.

Signature:  _____

Name: Brent L. Henry

Title: Vice President and General Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



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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)

EXPLANATIONS AND DEFINITIONS

1.	Name	Legal business name as reported with Internal Revenue Service. This may be the parent organization or local provider organization name.
2.	Federal TAX ID #	9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the internal revenue service.
	MA DPH Facility ID #	If applicable, Massachusetts Department of Public Health Facility Identification Number.
	National Provider Identification Number (NPI)	10-digit National Provider identification number issued by the Centers for Medicare and Medicaid Services (CMS). This element pertains to the organization or entity directly providing service.
3.	Business Address 1:	Address location/site of applicant
4.	Business Address 2:	Address location/site of applicant continued often used to capture suite number, etc.
5.	City, State, Zip Code	Indicate the City, State, and Zip Code for the provider organization as defined by the US Postal Service.
6.	Business Website:	Business website URL
7.	Contact Last Name, First Name	Last name and First Name of the primary administrator completing the registration form.
8.	Title:	Professional title of the administrator completing the registration form.
9.	Contact Telephone and Extension	10-digit telephone number and telephone extension (if applicable) for administrator completing the registration form
10.	Contact Email:	Contact email for administrator
11.	Description of Organization:	Provide a brief description of the notifying organization's ownership, governance, and operational structure, including but not limited to provider type (acute hospital, physician group, skilled nursing facilities, independent practice organization, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s).

12.	Type of Material Change	<p>Indicate the nature of the proposed material change.</p> <p><i>Definitions of terms:</i></p> <p>“Carrier”, an insurer licensed or otherwise authorized to transact accident or health insurance under chapter 175; a nonprofit hospital service corporation organized under chapter 176A; a nonprofit medical service corporation organized under chapter 176B; a health maintenance organization organized under chapter 176G; and an organization entering into a preferred provider arrangement under chapter 176I; provided that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of 1 or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term “carrier” shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or vision care services.</p> <p>“Hospital”, any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.</p> <p>“Hospital System”, a group of affiliated entities that includes one or more Hospitals that are overseen by a common entity or parent corporation.</p> <p>“Net patient service revenue”, total revenue received for patient care from any third party payer net of any contractual adjustments.</p> <p>“Provider”, any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the commonwealth to perform or provide health care services.</p> <p>“Provider organization”, any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents 1 or more health care providers in contracting with carriers for the payments of health care services; provided, that “provider organization” shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations and any other organization that contracts with carriers for payment for health care services.</p>
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13.	Proposed Effective Date of the Proposed Material Change	Indicate the effective date of the proposed material change. NOTE: The effective date may not be less than 60 days from the date of the application notice.
14.	Description of the Proposed Material Change	Provide a brief narrative describing the nature and objectives of the proposed material change. Include organizational charts and other supporting materials as necessary to illustrate the proposed change in ownership, governance or operational structure.
15.	Impact of the Proposed Material Change	<p>Provide a brief description of any analysis conducted by the notifying organization as to the anticipated impact of the proposed material change including, but not limited to, the following factors, as applicable:</p> <ul style="list-style-type: none"> • Costs • Prices, including prices of the provider or provider organization involved in the proposed merger, acquisition, affiliation or other proposed material change • Utilization • Health status adjusted total medical expenses • Market Share • Referral Patterns • Payer Mix • Service Area(s) • Service Line(s) • Service Mix
16.	Future Planned Material Changes	Provide a brief description of the nature, scope and dates of any pending or planned material changes to ownership, governance, or operations within the 12 months following the date of the notice.
17.	Submission to Other State or Federal Agencies	Indicate the date and nature of any other applications, forms, notices or other materials provided to other state for federal agencies relative to the proposed material change, including but not limited to the Department of Public Health (e.g., Determination of Need Application, Notice of Intent to Acquire, Change in Licensure), Massachusetts Attorney General (e.g., notice pursuant to G.L. c. 180, §8A(c)), U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application) and Federal Trade Commission/Department of Justice (e.g., Notification and Report Form pursuant to 15 U.S.C. sec. 18a).