

Lynn,

Pursuant to our conversation on Monday, April 23, 2018, please see the below supplemental information for the Determination of Need Application for Milford Franklin Eye Center, LLC ("MFEC"):

Supplemental Information for MFEC:

(1). In the Application, it states: "An equivalent need for eye care and cataract surgery exists and there is lack of enough capacity at the local hospital to satisfy this need."

The local hospital MFEC is referring to is Milford Regional Medical Center.

(2). In regards to MFEC's payor mix:

MFEC accepts all types of insurances, with no exceptions, including state sponsored insurance. This includes, but is not limited to, MassHealth patients and Tufts Public Health Plan Patients. MFEC also provides free care to those patients who do not qualify for any insurance on a case-by-case basis. MFEC's payor mix is a group of insurances from private carriers to Medicare to state sponsored insurance. MFEC participates in UMass memorial IPA, which negotiates insurance contracts with private carriers.

Specifically, the below chart represents all patients seen at MFEC from April, 2016 until the present (what MFEC's system is able to produce on short notice...we can fully supplement later if need be):

Category	Patient Volume	Insurance Group	Percentage
2	Commercial	13,630	63.09%
3	Medicaid	2,815	13.03%
4	Medicare B/DME	4,981	23.06%
5	Self-Pay	177	0.82%
TOTAL	-	21,603	100.00%

MFEC believes the data for MFEC for 2015/Jan-March of 2016 is similar to the above chart and that the above chart represents an accurate reflection of MFEC's payer mix, in general.

(3). In regards to MFEC's Patient Population:

On a monthly basis MFEC sees, on average, 1370 patients.

On a monthly basis MFEC performs, on average, 135 cataract procedures.

The ratio of cataract surgery procedures performed to number of patients seen is 9.8 %.

Currently, (Info updated per 4/24/18), in regards to surgical procedures:

Approximately 66 patients per month are operated at Cataract Surgery Center of Milford (CSCM) or 48.8% of MFEC's cataract procedures.

Approximately 60 patients per month are operated at Surgisite Boston in Waltham (SB) or 44% of MFEC's cataract procedures.

Approximately 9 patients per month are operated at Milford Regional Medical Center (MRH) or 6.6% of MFEC's cataract procedures.

MFEC anticipates performing 126 procedures per month at CSCM once DON approval is secured. That translates into 93% of all surgical cases of MFEC that will be performed locally at CSCM, which will almost completely eliminate the need for the Patient Population of MFEC or CSCM to travel far. This is because MFEC patients will no longer have to travel to Waltham and CSCM patients will continue to have a local surgery center as opposed to CSCM closing down upon Dr. Goodman's retirement.

(4). In regards to local coordination of care back into the community:

MFEC has adopted an advanced electronic medical system that will be implemented at CSCM that allows:

A) Labeling the electronic medical chart with name of the referring physician, optometrist, physician assistant or entity;

B) Easy communication with referring physicians, optometrists, physician assistants or other entities through electronic faxing of computer generated letters; and

C) Co-Management logs allow MFEC to track and follow-up on the surgical progress of patients referred by optometrists and facilitates the return of patients to the referring entity upon the completion of the surgical care.

MFEC also employs a dedicated surgical coordinator to supervise and enforce the above. This surgical coordinator will also help facilitate locating a PCP or specialist for a patient who is in need of such provider. MFEC provides all patients with an appointment card for a follow-up appointment. MFEC also calls patients twice before appointments. Additionally, MFEC works with the "Patient Referral Line" of Milford Regional Medical Center. This is a dedicated patient line that allows community patients to find a local PCP in the community. The surgical coordinator, the Patient Referral Line and the advanced electronic medical system will greatly improve the current coordination of care back into the local community for CSCM.

(5). In regards to improving efficiency, the following will be implemented to improve efficiency:

A) Elimination of bulbar blocks before the procedures. Bulbar blocks are used by fewer and fewer surgeons to anesthetize the eye before cataract surgery. This method was still used at CSCM. The new technique will only use drops to anesthetize the eye, producing equally effective anesthesia while reducing the dangers of a block (which requires a needle behind the eye). No blocks will reduce the surgical time, improve safety and improve efficiency.

B) Implementation of advanced surgical techniques: Modern cataract surgery can be done efficiently and safely in 7 minutes on average. MFEC surgeons produce consistently excellent and safe results due to adoption of efficient cataract surgery techniques including laser-assisted cataract surgery. The current surgeons at CSCM require a much longer time-frame to produce similar results.

C) Improvement of specific logistical factors relating to the procedure:

- Adopting disposable instruments whenever possible (and clinically appropriate).
- Working with only one lens manufacturer.
- Establishing clear and uniform pre-operative procedures.
- Utilizing standard custom surgical packs to eliminate the need of putting a pack together
- Maintaining ocular implants on consignment at CSCM and close to the OR.
- Improving the operating room turn-over time.
- Providing dedicated and highly trained staff and ensuring that there is always proper amounts of equipment and instruments.
- Providing proper education to staff on quality and risk management.
- Using the best and latest state-of-the-art equipment (that was not previously available at CSCM), which promotes more efficient, less invasive and more precise procedures that ultimately result in less recovery time.
- Ensuring that all paperwork is done before the day of surgery.
- Hiring, training and retaining a well-trained and experienced team.
- Providing patients with post-op instructions ahead of time to allow them time to read the instructions, ask questions and engage in meaningful and comprehensive dialogue with providers or staff.
- Engaging the entire team, including surgeons, in active discussions on how to improve efficiency, safety and patient positive experience.

(6). In regards to making CSCM more cost effective, MFEC will improve cost effectiveness while maintaining safety and patient positive experiences through the following interventions:

A) Use of standardized surgical products and using standard pre-packs of surgical instruments and cataract kits, which cuts costs.

B) Negotiating better contracts and prices for surgical kits and implants with the manufacturer.

C) Eliminating surgical needle blocks and replacing the blocks with inexpensive and safe drops for anesthesia.

D) Scheduling staff wisely: By hiring well-trained per diem staff, there are cost savings on days when no cases are scheduled.

E) Requiring justification for more expensive and new equipment and supplies.

F) Constantly scrutinizing all equipment and supply use and looking for more efficient and less expensive alternatives.

(7) In regards to the cultural competency of MFEC's staff:

Approximately 90% of Milford's residents identify as either Caucasian or Hispanic.

MFEC is very sensitive to the cultural environment of the community the practice serves. To that end, MFEC has hired three full-time, well trained staff to facilitate communication with the community patients. All three full-time staff (Ashley Aponte, Luis Tejada and Jessica Flanagan) are fluent in Spanish and Portuguese. All three staff members identify as Hispanic. Two of the three staff members actually participate in bringing patients to the OR on surgical days and assist with laser-assisted cataract surgery procedures.

(8). No surgeries are performed at MFEC. MFEC is a medical practice and not a surgery center. The surgery center listed in the Application as being approximately forty miles away is Surgisite Boston, located at 1440 Main Street in Waltham.

(9). In regards to further information on MFEC's Patient Population and current/anticipated surgical procedures of MFEC's Patient Population at CSCM:

On a monthly basis MFEC sees 1370 patients on average. Patients fall into 3 different categories:

A) Comprehensive eye examinations (MFEC has 3 physician surgeons and 2 optometrists).

B) Pediatric eye care (MFEC has the only pediatric eye care specialist in the area).

C) Referrals for cataract surgery (Referrals originate from the community optometrists and from word of mouth patient referrals).

The most common reason for a visit is blurry vision.

The services performed at MFEC include comprehensive eye care, glaucoma management, retinal eye disease, pediatric eye care and cataract evaluations.

The most common surgeries anticipated are cataract surgeries (98%), pterygium surgery (1%) and strabismus (misaligned eyes) surgeries (1%). This is consistent with the percentage of surgical procedures that MFEC currently performs on its Patient Population.

(10). In regards to tracking health outcomes, the process for doing so, and ensuring continuity of care:

Health outcomes are tracked by an independent review of specific surgical outcome data. The current center in Waltham (Surgisite Boston) has a peer review of surgical cases on a regular basis by other surgeons. The center also tracks the rate of surgical infections after cataract surgery. The rate for Dr. Kaldawy is zero percent. The center also tracks the rate of surgical

complications after cataract surgery. This rate for Dr Kaldawy is less than 1% which is among the lowest in the country. Dr. Kaldawy himself tracks patient satisfaction and post-op vision and those are competitive as well. MFEC will adopt similar advanced measurements of health care outcomes for CSCM once the transfer of ownership is achieved.

Furthermore, continuity of care is ensured through the following:

MFEC has adopted an advanced electronic medical system that will be implemented at CSCM that allows:

- A) Labeling the electronic medical chart with the name of a referring physician, optometrist, physician assistant or entity.
- B) Easy communication with referring physicians, optometrists, physician assistants or entities through electronic faxing of computer generated letters.
- C) Co-Management logs allow MFEC to track and follow-up on the surgical progress of patients referred by optometrists and facilitates the return of patients to the referring entity upon the completion of the surgical care.

(11) In regards to the demographics of MFEC's Patient Population:

MFEC primarily serves the towns of Milford and Franklin, and their surrounding towns. Franklin is a medium-sized town with a population of 33,150 people and five constituent neighborhoods. MFEC's Franklin patients belong to a variety of racial and ethnic groups. 4.9% of our patients are under the age of 5, 21.1% are between the age of 5 and 17, 9.7% are between the ages of 18 and 24, 8.4% are between the ages of 25 and 34, 30.6% are between the ages of 35 and 45, 13.4% are between the ages of 55 to 64 and 11.9% are 65 years and older. 90.6% of the patients identify as white, 4.6% identify as Asian, 2.5% identify as Hispanic, 0.7% identify as African American and 1.6% identify as other races. Cataracts are predominant in the 65 year and older population. Glaucoma is most common in the African American and Hispanic population. Strabismus is most common in the 5 years and under population.

Milford is a medium-sized town with a population of 28,646 people and five constituent neighborhoods. Milford has a mixed workforce and is an ethnically-diverse town. 6.7% of our patients are under the age of 5, 16.8% are between the age of 5 and 17, 7% are between the ages of 18 and 24, 13.3% are between the ages of 25 and 34, 28.9% are between the ages of 35 and 45, 13.9% are between the ages of 55 and 64 and 13.4% are 65 years and older. 81.1% of the patients identify as white, 9% identify as Hispanic, 2.8% identify as Asian, 2.6% identify as African American and 4.5% identify as other races. Cataracts are predominant in the 65 year and older category. Glaucoma is most common in the African American and Hispanic population with has a significant presence in Milford. Strabismus is most common in the 5 years and under population.

The above information comprises the average demographic statistics of MFEC's Patient Population for the last five fiscal years.

(12). In regards to facilitating the transition:

The transition will be seamless because MFEC has already initiated the transition months before it is anticipated to occur. As part of the preparations, a decision was made to hire the same staff that is currently employed at CSCM (including the providers as mentioned in the DON Application) and the addition of well-trained, experienced and culturally competent staff. MFEC also prepared the community through local ads in the local newspapers and direct communication with patients, direct communication with referring entities, performing surgeries at CSCM over the past few months, working with the current CSCM staff to acquaint them to working with a new surgeon and extensive planning and preparations for all operational aspects of operating an ambulatory surgery center.

Currently, CSCM uses NextGen EMR (NextGen) as its electronic medical record system (EMR). MFEC uses MDI EMR (MDI). Ultimately, we will interface NextGen data and allow it to "migrate" to MDI, and therefore, merge the 2 EMR systems in one. The EMR system and any other electronic practice management systems will be a positive benefit for CSCM as MFEC's advanced EMR system follows the process from pre-op through surgery and post-op, ensuring safety and compliance requirements are met. With an advanced EMR system, data needed to properly and effectively treat the patient is conveniently located in the system. This advanced EMR system makes the surgical process and patient care more efficient. The advanced EMR system helps with providing quality care by allowing MFEC (and CSCM upon the approval of the Application) to track quality and outcome data. The merging of the EMR systems will also help facilitate a seamless transition.

Supplemental Information for Cataract Surgery Center of Milford (Transferor of License):

- (1). CSCM has one operating room.
- (2). CSCM draws patients from essentially the same geographic area as MFEC.
- (3). In the last three fiscal years, approximately 2500 surgeries were performed at CSCM in the OR.
- (4). Currently, 70% of the surgeries performed at CSCM are cataract surgeries and the other 30% of surgeries are comprised primarily of ptosis cases, entropion cases, ectropion cases, blepharoplasty cases and eyelid malignancy cases.
- (5). Approximately 99.5% of Dr. Goodman's private practice patients that require surgery receive surgery at CSCM. The rare cases requiring anesthesia (for example, children and enucleations) are performed at local hospitals.
- (6). In regards to CSCM's payor mix and demographics, please find the below information:

Payor Mix for CSCM Patient Population:

2017: Please Refer to CSCM Payer Mix 2017

2016: Please Refer CSCM Payer Mix 2016

2015: Please Refer to CSCM Payer Mix 2015

Demographic Data for CSCM Patient Population:

Demographic Data in summation format is forthcoming from the billing company of CSCM.

Payer Mix by Insurance Class

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CATARACT SURGERY CNTR OF MILFORD IN

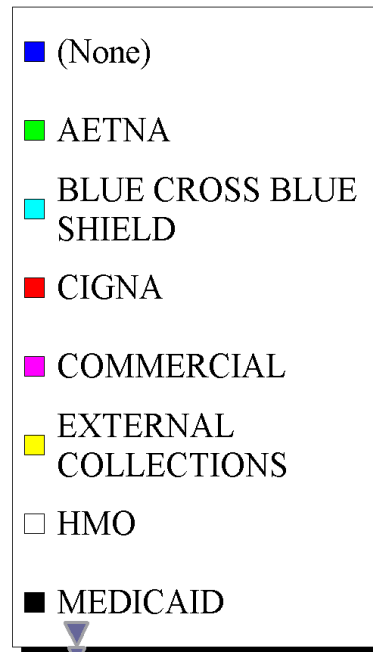
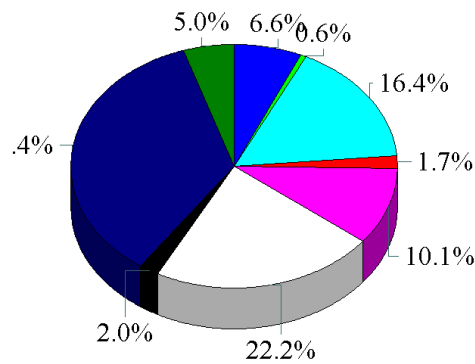
Start Date

1/1/2017

End Date

12/31/2017

Insurance Class	Percentage	Payments
(None)	6.63%	\$91,866.70
AETNA	0.59%	\$8,201.75
BLUE CROSS BLUE SHIELD	16.39%	\$227,229.64
CIGNA	1.71%	\$23,760.45
COMMERCIAL	10.12%	\$140,290.17
EXTERNAL COLLECTIONS	0.00%	\$0.00
HMO	22.21%	\$307,841.33
MEDICAID	1.97%	\$27,262.80
MEDICARE	35.40%	\$490,661.36
UNITED HEALTHCARE	4.97%	\$68,874.88
WORKERS COMP	0.00%	\$0.00
Total Payments:		\$1,385,989.08



Payer Mix by Insurance Class

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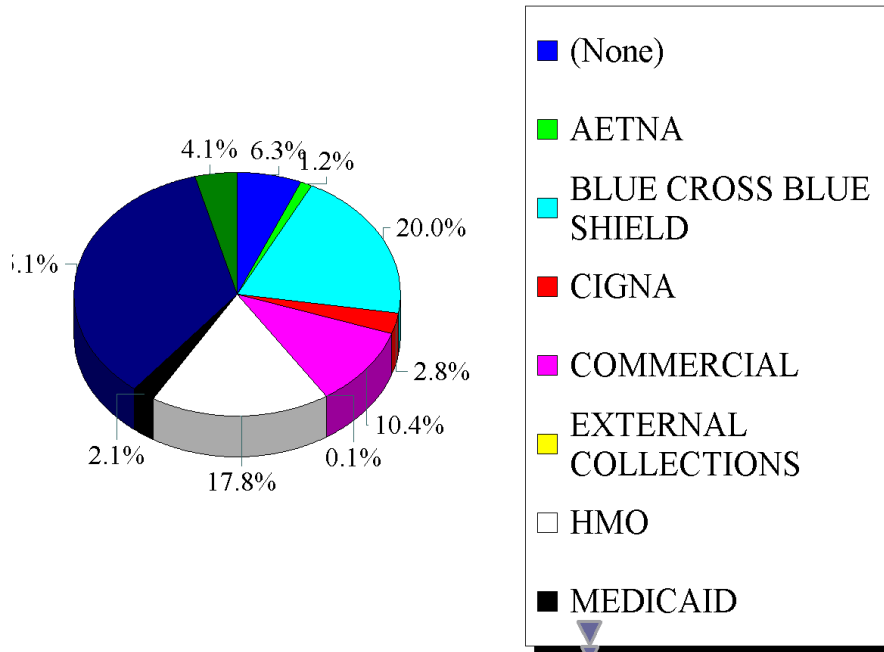
Start Date

1/1/2016

End Date

12/31/2016

Insurance Class	Percentage	Payments
(None)	6.31%	\$81,800.90
AETNA	1.18%	\$15,311.61
BLUE CROSS BLUE SHIELD	20.02%	\$259,390.38
CIGNA	2.82%	\$36,542.26
COMMERCIAL	10.37%	\$134,294.07
EXTERNAL COLLECTIONS	0.08%	\$1,050.58
HMO	17.84%	\$231,135.95
MEDICAID	2.09%	\$27,038.21
MEDICARE	35.14%	\$455,315.54
UNITED HEALTHCARE	4.15%	\$53,751.40
Total Payments:		\$1,295,630.90



Payer Mix by Insurance Class

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Start Date 1/1/2015	End Date 12/31/2015
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Insurance Class	Percentage	Payments
(None)	5.46%	\$62,586.37
AETNA	0.30%	\$3,439.73
BLUE CROSS BLUE SHIELD	16.57%	\$189,947.76
CIGNA	1.06%	\$12,129.28
COMMERCIAL	12.41%	\$142,278.99
HMO	20.25%	\$232,183.14
MEDICAID	3.63%	\$41,679.83
MEDICARE	37.49%	\$429,888.02
UNITED HEALTHCARE	2.79%	\$31,976.75
WORKERS COMP	0.05%	\$551.84
Total Payments:		\$1,146,661.71

