

West Bridgewater MA Endoscopy ASC, LLC

DoN Application # CEC-24082115-AS

Application for Determination of Need
for: Substantial Change in Service and Transfer of Site
Date: August 30, 2024

NARRATIVE

1. About the Applicant

West Bridgewater MA Endoscopy ASC, LLC (the “Applicant”), is a for-profit Tennessee limited liability company that owns and operates a single specialty ambulatory surgery center (“ASC”), known as Commonwealth Endoscopy Center (the “Facility”). The Applicant has been performing same day GI surgery since June 1997 at its current site and has been licensed by the Massachusetts Department of Public Health since 2009.

The Applicant is a joint venture between Amsurg Holdings, Inc. (“AMSURG”) and Commonwealth Endoscopy Center, Inc. AMSURG owns 51% and Commonwealth Endoscopy Center, Inc. owns 49% of the Applicant.

2. Project Description

2.1 *Provide a Brief Description of the Scope of the Project*

The Applicant is filing a Notice of Determination of Need (“Application”) with the Massachusetts Department of Public Health (“Department”) relative to a substantial change in service and transfer of site. Currently the Applicant operates the Facility at 120 West Center Street in West Bridgewater, MA with two (2) procedure rooms. Upon approval of the Application, the Facility will be relocated to 3 Washington Place, Easton, MA and expanded to four (4) procedure rooms (the “Proposed Project”).

The Proposed Project will increase access to gastrointestinal care in the service area by increasing the ASC’s procedure capacity, both by adding procedure rooms and increasing the number of physician partners treating patients at the ASC. AMSURG will continue to manage the ASC.

AMSURG is the nationally recognized leader in the strategic and operational management of surgery centers that deliver high quality, high value, same-day surgical services with superior patient experience. AMSURG jointly owns and manages over 250 ASCs with a focus on Gastrointestinal, Ophthalmology and Orthopedic surgery. AMSURG operates across 34 states and has 9 centers located in Massachusetts.

Commonwealth Endoscopy Center, Inc. is owned by a group of physicians with longstanding relationships in the community. The physician partners have supplied specialized gastroenterology care to the Southeastern Massachusetts region for over 30 years. In connection with the Proposed Project, three new physicians (the “New Physicians”) will

acquire a minority interest in Commonwealth Endoscopy Center, Inc., which as discussed in greater detail below, will increase the patient panel. The Proposed Project will not result in a change in control of the Applicant.

If approved, the Proposed Project will result in the ASC's relocation to space on the first floor of 3 Washington Place, which consists of 7,500 square feet of space. The space will include four (4) Endoscopy suites, 12 pre-operative and post-operative/recovery bays, administrative offices and a patient lobby and waiting area. The space is located on the first floor and thoughtfully planned for easy patient work-flow. Additional features include dedicated parking spots and a canopy for patient pickup to ensure the best possible patient care experience.

The Proposed Project has been developed to respond to increased local patient demand due to aging population and the national shift in GI care from hospital-based outpatient departments ("HOPDs") to ASCs. The Applicant is accredited by the Association of Ambulatory Health Care ("AAHC") and plans to pursue accreditation for the new site as well.

There has been a significant increase in wait times for GI procedures in the Applicant's service area due to the aging population and limited access to outpatient GI procedures. The Applicant is the only licensed ASC offering GI procedures in its service area, and the three community hospitals offering outpatient GI procedures in its service area have been experiencing significant disruptions to access due to the Steward Health System bankruptcy (affecting Morton Hospital and Good Samaritan Hospital) and the fire which significantly impacted Signature Brockton Hospital. The existing physicians are currently reporting three-week wait times to book GI procedures at the current Facility or local community hospitals. The New Physicians are reporting significantly longer wait times of 45 to 90 days to schedule GI procedures at local community hospitals. The wait times for GI procedures were steadily increasing, even before the recent local community hospital service disruptions, due to the aging population, with wait times varying from 15 to 45 days.

By expanding ASC capacity for GI procedures in the primary service area, the Proposed Project will further promote Massachusetts' cost containment goals. Outpatient procedures at ASCs are more cost efficient than those in hospital settings. For example, on average, the total cost of a colonoscopy (flexible with biopsy) is 41% less expensive at an ASC as compared to an HOPD and a small intestinal endoscopy's cost is 52% less expensive at an ASC.¹

In summary, the Proposed Project will provide existing and new patients in the primary service area with high quality, lower cost care. The Proposed Project will reduce costs for patients, commercial and government payers.

¹ The average cost of a colonoscopy at an ASC is \$728 as compared to \$1240 for the same procedure at an HOPD. <https://www.beckersasc.com/gastroenterology-and-endoscopy/asc-vs-hopd-costs-for-5-most-common-gastroenterology-procedures.html>. accessed July 2024

8. Transfer of Site

8.4 *Compare the scope of the project for each element below.*

Primary Service Area Towns Served:

The Applicant's Primary Service Area consists of the following 16 Massachusetts towns, where 75% of the applicant's 2024 patients reside: Bridgewater, Brockton, East Bridgewater, East Taunton, Hanson, Lakeville, Mansfield, Middleboro, Norton, North Easton, Raynham, South Easton, Stoughton, Taunton, West Bridgewater, and Whitman. The remaining 25% of the Applicant's patients travel from 93 other towns in Massachusetts. The Applicant is currently located in West Bridgewater, MA, within Plymouth County and near the border of Bristol County. Just over half of the Applicant's 2024 patients (52%) reside in Plymouth County, and 37% reside in Bristol County.

Because the Applicant's proposed site is located in Bristol County, 8 miles from its current site, the Applicant does not anticipate the Transfer of Site to result in significant changes to its current Primary Service Area.

Patient Population (Demographics):

Please see the Factor 1 Narrative F1.a.1. for data detailing patient population demographics.

Patient Access:

The Applicant's proposed site in Easton is 8 miles from its current site and easily accessible from major highways including Routes 24, 138, 106 and 123. As a freestanding ASC, the Applicant will offer patients convenient access, with onsite free parking and easy navigation from the parking lot to and from the ASC suite, as well as within the ASC suite. This configuration will help reduce the frustration patients and their families often face while navigating larger hospital campuses to get to their procedures. The Proposed Project will be on the first floor and will also include a comfortable waiting room for patients and their friends and family.

The Applicant's Transfer of Site and expansion of service from 2 procedure rooms at its current site to 4 procedure rooms at its future site will reduce wait times and improve access to timely GI procedures.

Impact on Price:

The Applicant does not anticipate an adverse impact on price as a result of the Proposed Project. The Applicant will continue to be reimbursed based on its existing payer contracts and existing free-standing ASC fee schedules.

Total Medical Expenditure:

The Applicant does not anticipate an adverse impact on medical expenditures as a result of Proposed Project. As noted above, the Applicant will continue to be reimbursed based on its

existing payer contracts and existing free-standing ASC fee schedules. As a free-standing ASC, the Applicant is a lower cost option for patients than HOPDs; therefore, the Applicant anticipates that Total Medical Expenditure for patients will decrease as more procedures shift from HOPDs to free-standing ASCs.

Provider Costs:

The Applicant does not anticipate an adverse impact on provider costs as a result of the Proposed Project. The payer contracts for the providers performing surgical procedures at the Applicant will not change as a result of the Proposed Project.

Description:

The Applicant's current free-standing ASC site encompasses approximately 3,320 square feet including: two procedure rooms, 6 pre/post procedure beds, space for administrative, sterilization, storage and a patient waiting area. The Applicant's proposed free-standing ASC is on the first floor in a 2-story state-of-the art medical office building, encompassing approximately 7,500 gross square feet, which will be able to accommodate the Applicant's proposed expansion to four procedure rooms, 12 pre/post procedure beds and adequate administrative, sterilization and storage capacity to support the proposed procedure room capacity.

13. The Factors:

FACTOR 1: Applicant Patient Panel Need, Public Health Values and Operational Objectives

F1.a.i Patient Panel

Describe your existing Patient Panel, including incidence or prevalence of disease or behavioral risk factors, acuity mix, noted health disparities, geographic breakdown expressed in zip codes or other appropriate measure, demographics including age, gender and sexual identity, race, ethnicity, socioeconomic status, and other priority populations relevant to the Applicant's existing patient panel and payer mix.

The current patient panel data used in this application is derived from patients who have received services at the Facility from 2021 through May 2024. May 2024 patient data includes patients from the three New Physicians who are acquiring a minority interest in Commonwealth Endoscopy Center, Inc., as well as two additional physicians from the New Physician practice, who began performing procedures at the Facility in May 2024.

Patient Panel Information

Patient Gender, Age and Race/Ethnicity

In 2024, 49% and 51% of the Applicant's patient panel are female and male, respectively based on procedures performed. As demonstrated by the table below, the patient gender mix was relatively stable from 2021-2024.

Patient Gender	2021	2021 %	2022 #	2022 %	2023 #	2023 %	2024 Jan-May annualized #	2024 Jan-May annualized %
Female	3,596	53%	3,376	51%	3,851	52%	3,790	49%
Male	3,132	47%	3,222	49%	3,501	48%	3,914	51%
Grand Total	6,728	100%	6,598	100%	7,352	100%	7,704	100%

The Applicant used its Press Ganey database to report on Age, Race and Ethnicity data for January 2021 through May of 2024, which explains why the annual totals in the Age, Race and Ethnicity tables are different than annual totals in the tables for other patient demographics in this section.

In 2024, 68% of the Applicant's patients are over the age of 65. Of the remaining patients, 26% are aged 50-64 and 6% were under 50 years old. As demonstrated by the table below, the patient age mix was relatively stable from 2021-2024.

Patient Age	2021 # Patients	2021 % Patients	2022 # Patients	2022 % Patients	2023 # Patients	2023 % Patients	2024 Jan-May annualized # Patients	2024 Jan-May annualized % Patients
0-39	47	1%	49	1%	44	1%	72	2%
40-49	203	4%	189	4%	185	5%	158	4%
50-64	1,133	23%	1,040	24%	962	26%	998	26%
65+	3,526	72%	3,132	71%	2,512	68%	2,578	68%
Grand Total	4,909	100%	4,410	100%	3,703	100%	3,806	100%

In 2024, 95% of the Applicant's patients are White, 3% are Black / African American, and 2% are Other Races or More than One Race. As demonstrated by the table below, the patient race mix was relatively stable from 2021-2024.

Patient Race	2021 # Patients	2021 % Patients	2022 # Patients	2022 % Patients	2023 # Patients	2023 % Patients	2024 Jan-May annualized # Patients	2024 Jan-May annualized % Patients
Asian, Native Hawaiian, American Indian, Alaskan Native, Pacific Islander, Other and More than One Race	42	1.0%	58	1.5%	37	1.1%	22	0.7%
More than One Race	66	1.5%	51	1.3%	57	1.7%	38	1.1%
Black / African American	147	3.4%	130	3.4%	128	3.8%	113	3.4%
White	4,021	94%	3,595	93.8%	3,105	93.3%	3,166	94.8%
Grand Total	4,276	100%	4,410	100%	3,703	100%	3,807	100%

In 2024, 96% of the Applicant's patients are not Hispanic /Latino ethnicity, and 4% are Hispanic / Latino ethnicity. As demonstrated by the table below, the patient ethnicity mix was stable from 2021-2024.

Patient Ethnicity	2021 # Patients	2021 % Patients	2022 # Patients	2022 % Patients	2023 # Patients	2023 % Patients	2024 Jan-May annualized # Patients	2024 Jan-May annualized % Patients
Hispanic / Latino	92	3.4%	97	3.9%	98	4.3%	101	4.0%
Not Hispanic / Latino	2,634	96.6%	2,373	96.1%	2,185	95.7%	2,402	96.0%
Grand Total	2,726	100%	2,470	100%	2,283	100%	2,503	100%

Patient Origin. The Applicant is currently located in West Bridgewater, MA, within Plymouth County and near the border of Bristol County with 52% of the Applicant's 2024 patient panel

residing in Plymouth County, and 37% residing in Bristol County, based on procedures performed. The following table shows patient origin by county in 2024.

Patient County	2021 #	2021 %	2022 #	2022 %	2023 #	2023 %	2024 Jan-May annualized #	2024 Jan-May annualized %
Plymouth	3,714	55%	3,793	57%	4,029	55%	3,967	52%
Bristol	2,497	37%	2,278	35%	2,552	34%	2,875	37%
Norfolk	406	6%	398	6%	629	9%	722	9%
Other	111	2%	129	2%	142	2%	140	2%
Grand Total	6,728	100%	6,598	100%	7,352	100%	7,704	100%

A significant majority (75%) of the Applicant's patients reside in the following 16 communities based on 2024 patient procedures performed: Brockton, Bridgewater, East Bridgewater, East Taunton, Hanson, Lakeville, Mansfield, Middleboro, North Easton, Norton, Raynham, South Easton, Stoughton, Taunton, West Bridgewater, and Whitman. The following table shows patient origin by town in 2024.

Patient City/Towns	2021 #	2021 %	2022 #	2022 %	2023 #	2023 %	2024 Jan-May annualized %	2024 Jan-May annualized %
Taunton	1,029	15%	847	13%	833	11%	864	11%
Brockton	504	7%	524	8%	954	13%	804	10%
Bridgewater	497	7%	552	8%	636	9%	658	9%
Middleboro	576	9%	607	9%	527	7%	581	8%
Raynham	324	5%	315	5%	394	6%	432	6%
East Bridgewater	408	6%	390	6%	318	4%	331	4%
Lakeville	269	4%	256	4%	262	4%	322	4%
West Bridgewater	149	2%	174	3%	186	3%	300	4%
North Easton	100	1%	109	2%	162	2%	250	3%
Stoughton	106	2%	98	1%	173	2%	214	3%
Whitman	322	5%	302	5%	261	4%	211	3%
East Taunton	192	3%	175	2%	149	2%	192	2%
Norton	115	2%	80	1%	126	2%	173	2%
South Easton	87	1%	132	2%	143	2%	168	2%
Hanson	172	3%	146	2%	163	2%	149	2%
Mansfield	47	1%	47	1%	121	2%	146	2%
Total PSA Towns (16)	4,897	73%	4,754	72%	5,408	74%	5,795	75%
Other Towns (	1,831	27%	1,844	28%	1,944	26%	1,909	25%
Total Towns (109)	6,728	100%	6,598	100%	7,352	100%	7,704	100%

Payer Mix. In 2024, 64% of the Applicant's cases were paid by a commercial payer, 28% by Medicare, 7% by Medicaid, and 1% by other payers, including VA plans and self-pay. The following table shows the Applicant's payer mix for 2021-2024.

Insurance type	2021 Payer Mix	2022 Payer Mix	2023 Payer Mix	2024 Jan-May Payer Mix
Commercial	64%	63%	61%	64%
Medicare	28%	28%	28%	28%
Medicaid	7%	8%	11%	7%
Other (incl. VA and Self Pay)	1%	1%	1%	1%
Grand Total	100%	100%	100%	100%

Cases and Procedures: The Applicant is a single specialty ASC and 100% of procedures are performed by Gastroenterologists. The Gastroenterologists primarily perform colonoscopies, endoscopies, sigmoidoscopies and biopsies at the ASC.

Based on the cases and procedures performed in the first 5 months of 2024, the Applicant is tracking to perform 6,384 cases and 7,704 procedures at the ASC in 2024, a 15% increase in both cases and procedures since 2021. The following tables summarize the Applicant's cases, procedures, and procedures per case for 2021 - 2024.

Cases	2021	2022	2023	2023 Jan-May annualized
Cases - count	5,532	5,395	6,040	6,384
Cases - year over year increase/(decrease)		(137)	645	344
Cases - year over year increase/(decrease) %		(3%)	+12%	+6%

Procedures	2021	2022	2023	2023 Jan-May annualized
Procedures - count	6,728	6,598	7,352	7,704
Procedures - year over year increase/(decrease)		(130)	754	352
Procedures - year over year increase/(decrease) %		(2%)	+11%	+5%

Procedures per Case	2021	2022	2023	2023 Jan-May annualized
Avg Procedures per case	1.2	1.2	1.2	1.2

Patient Diagnoses. Based on 2021 through 2024 procedure data, the most common primary diagnoses are Encounter for screening for malignant neoplasm of colon (Z12.11), and Personal history of colonic polyps (Z86.010), accounting for approximately 50% of all procedures. The following tables compares the percentage of the most common10 primary diagnoses 2021 - 2024.

Top 100 Patient Primary Diagnoses	Dx Code	2021 %	2022 %	2023 %	2024 %
Encounter for screening for malignant neoplasm of colon	Z12.11	23%	25%	33%	31%
Personal history of colonic polyps	Z86.010	18%	19%	19%	22%
Family history of malignant neoplasm of digestive organs	Z80.0	7%	6%	6%	6%
Melena	K92.1	8%	7%	4%	4%
Acute gastritis without bleeding	K29.00	5%	5%	3%	4%
Dysphagia, unspecified	R13.10	4%	5%	4%	4%
Epigastric pain	R10.13	4%	5%	4%	3%
Iron deficiency anemia secondary to blood loss (chronic)	D50.0	3%	4%	3%	3%
Gastro-esophageal reflux disease without esophagitis	K21.9	5%	3%	2%	2%

Patient Acuity. The American Society of Anesthesiologists (“ASA”) Physical Status Classification System has been in use for over 60 years. The purpose of the system is to assess and communicate a patient’s pre-anesthesia medical co-morbidities. The classification system alone does not predict the perioperative risks, but when used with other factors (e.g., type of surgery, frailty, level of deconditioning), it can be helpful in predicting perioperative risks.²

² Statement on the ASA Physical Status Classification System available at <https://www.asahq.org/standards-and-practice-parameters/statement-on-asa-physical-status-classification-system>, accessed on August 1, 2024.

In 2024, the majority of the Applicant's patients (75%) presented with ASA 2, mild systemic disease, 20% presented with ASA 3, severe systemic disease in 2024, and 5% presented as ASA 1, normal healthy patients based on the ASA Physical Status Classification System. The following table demonstrates the Applicant's patient acuity mix 2021 to 2024:

Acuity Mix	2021 %	2022 %	2023 %	2024 %
ASA 1: normal healthy patient	8.0%	8.2%	6.3%	4.7%
ASA 2: patient with mild systemic disease	68.5%	75.0%	78.2%	74.9%
ASA 3: patient with severe systemic disease	23.5%	16.8%	15.5%	20.4%
	100.0%	100.0%	100.0%	100.0%

F1.a.ii Need by Patient Panel

Provide supporting data to demonstrate the need for the Proposed Project. Such data should demonstrate the disease burden, behavioral risk factors, acuity mix, health disparities, or other objective Patient Panel measures as noted in your response to Question F1.a.i that demonstrates the need that the Proposed Project is attempting to address. If an inequity or disparity is not identified as relating to the Proposed Project, provide information justifying the need. In your description of Need, consider the principles underlying Public Health Value (see instructions) and ensure that Need is addressed in that context as well.

The Proposed Project is designed to meet the current and projected future needs of the Patient Panel for ambulatory surgical services. As indicated above, historical volume trends indicate high utilization rates for the GI procedures provided by the Applicant. Industry projections also forecast that the need for GI procedures will continue to increase, particularly as the 65+ patient population increases and requires diagnosis and treatment. Through the Proposed Project, the Applicant seeks to continue meeting the needs of the Patient Panel for GI procedures in a lower cost, conveniently located community setting.

The Proposed Project will expand the capacity of the existing ASC and thereby increasing patient access to lower cost, high-quality GI procedures and care. The expanded center will better serve the current patient needs and be positioned to meet the anticipated increased patient needs in the future. The Proposed Project will benefit both the ASC's existing patient panel as well as the New Physicians' patient panel.

The Applicant has applied a 3% growth rate year-over-year after year 1 to existing and New Physicians case growth to reflect market growth in outpatient GI procedures due to aging population, increasing demand, and the increasing shift from HOPD to ASC site of service.

The Applicant has developed the following 5-year forecast based on patient need:

Physician Cases	Year 1 (2 Rooms)	Year 1 2025 (4 Rooms)	Year 2 2026 (4 Rooms)	Year 3 2027 (4 Rooms)	Year 4 2028 (4 Rooms)	Year 5 2029 (4 Rooms)
Existing Physicians Cases	7,374	7,595	7,823	8,058	8,300	8,548
Existing Physicians Annual Growth %			3%	3%	3%	3%
New Physicians Cases		4,505	4,641	4,780	4,923	5,071
New Physicians Cases Annual Growth %			3%	3%	3%	3%
Total Cases	7,374	12,101	12,464	12,838	13,223	13,619
Total Cases Annual Growth %		64%	3%	3%	3%	3%

The Applicant has developed its forecast based on the following 3 market factors.

1. volume from New Physicians' patient panels;
2. aging population and growing demand; and
3. limited access to ambulatory GI procedures in the service area.

Volume from New Physicians' Patient Panels

As noted above, the New Physicians will be performing more of their GI procedures at the Facility upon completion of the Proposed Project, when 2 additional procedure rooms will be available. Most of the incremental volume increase anticipated as part of the Proposed Project will be driven by New Physicians, who currently report wait times of 45 to 90 days for their patients to schedule GI Procedures at local community hospitals. As part of their transition plan, the New Physicians began performing GI procedures at the Applicant's current site in May 2024. Due to current capacity constraints of 2 procedure rooms, the existing physicians have had to give up some of their block time to accommodate New Physicians' procedures during this interim transition time. The Applicant based its year 1 forecast for the New Physicians' volume following completion of the Proposed Project on input from New Physicians and their evaluation of cases that would be eligible to be performed in an ASC setting. The Applicant forecasts that approximately 40% of future case volume at the new expanded Facility will originate from the New Physicians.

Aging Population and Growing Demand

The Proposed Project will allow the Applicant to address the needs of its aging Patient Panel by improving access to outpatient GI procedures. As noted above, 68% of the Applicant's Patient Panel is 65 years of age or older, with an additional 30% between the ages of 40 and 64.

Most of the Applicant's patients, 89%, reside in Plymouth and Bristol counties. According to the University of Massachusetts Donahue Institute's ("UMDI") Massachusetts Population Projections³, although the population in Plymouth and Bristol counties is projected to decrease slightly, the population in these two counties is aging significantly. As detailed in the table below, the 65 and older population's is forecasted to grow 16% over 5 years, 30% over 10 years, and 19% over 20 years.

³ University of Massachusetts Donahue Institute, Massachusetts Population Projections available at <http://www.pep.donahue-institute.org/> accessed July 2024.

Population by County	All Ages	0-39	40-49	50-64	65+	50+
Bristol	579,413	278,349	71,960	125,815	103,288	229,104
Plymouth	531,106	243,935	64,400	119,912	102,858	222,770
2 County Total Population	1,110,519	522,285	136,360	245,727	206,146	451,874
5-yr Projected Change	-4,938	-26,718	-393	-11,293	33,467	22,173
5-yr % Change	-0.4%	-5.1%	-0.3%	-4.6%	16.2%	4.9%
10-yr Projected Change	-7,103	-50,109	10,827	-29,087	61,267	32,179
10-yr % Change	-0.6%	-9.6%	7.9%	-11.8%	29.7%	7.1%
20-yr Projected Change	-20,185	-57,748	12,740	-19,489	44,312	24,823
20-yr % Change	-1.8%	-11.7%	9.4%	-8.3%	18.5%	5.2%

Source: UMass Donahue Institute Massachusetts population projections updated May 2024. accessed at <http://www.pep.donahue-institute.org/>

UMDI is also forecasting even more significant aging in the sixteen towns comprising the Applicant's primary service area. As detailed in the table below, the 65 and older population is forecasted to grow 17% over 5 years, 33% over 10 years, and 44% over 20 years.

Population PSA Towns	All Ages	0-39	40-49	50-64	65+	50+
2020 Population	390,106	192,431	48,381	84,665	64,629	149,294
5-yr Projected Change	-816	-9,306	625	-3,035	10,900	7,865
5-yr % Change	-0.2%	-4.8%	1.3%	-3.6%	16.9%	5.3%
10-yr Projected Change	204	-16,999	4,915	-8,806	21,094	12,288
10-yr % Change	.01%	-8.8%	10.2%	-10.4%	32.6%	8.2%
20-yr Projected Change	-10,257	-29,490	6,002	-7,782	28,443	20,661
20-yr % Change	-2.6%	-15.3%	12.4%	-9.2%	44.0%	13.8%

Source: UMass Donahue Institute Massachusetts population projections updated May 2024. accessed at <http://www.pep.donahue-institute.org/>

Colon cancer is the fourth most common type of cancer diagnosed and the second leading cause of cancer deaths in the U.S. In addition, the incidence of colon cancer has been rising in young people since the 1990s, resulting in the recommendation that colon cancer screenings begin at age 45 instead of 50, which is also expected to increase the need for the Applicant's services.

Aging population is a significant factor in Sg2's 5 and 10 year Adult Outpatient Forecast assumptions. Sg2 is forecasting 10% 5-year growth and 16% 10-year growth in its Adult Outpatient Forecast (2023-2033).⁴ Sg2 is forecasting higher growth for select procedures, including GI procedures, as procedural volumes shift to lower-cost sites of care. Sg2 is forecasting 21% 10-year growth in outpatient upper GI endoscopy cases and 24% 10-year growth in outpatient colonoscopy cases.⁵

According to Beckers ASC, endoscopic procedures will remain the cornerstone of the GI practice, with population demographics and a fixed number of physician trainees causing continued high demand, and GI procedure volumes will continue to migrate away from HOPDs to lower-cost ASCs.⁶

⁴ Sg2 2023 Impact of Change Forecast Highlights, page 21, viewed at <https://www.ascfocus.org/ascfocus/content/articles-content/articles/2023/digital-debut/sg2-2023-annual-report-forecasts-significant-growth-in-asc-volume> accessed July 2024

⁵ Sg2 2023 Impact of Change Forecast Highlights, page 13, viewed at <https://www.ascfocus.org/ascfocus/content/articles-content/articles/2023/digital-debut/sg2-2023-annual-report-forecasts-significant-growth-in-asc-volume> accessed July 2024

⁶ <https://www.beckersasc.com/gastroenterology-and-endoscopy/gastroenterology-in-2030-what-the-specialty-will-look-like-in-10-years.html> Gastroenterology in 2030: What the specialty will look like in 10 years...Updated Friday, December 20th, 2019, accessed July 2024

The prevalence in the provision of GI procedures to the Applicant's patients over the age of 50, the expected growth in this age cohort over the next 20 years, and the rising incidents of colon cancer will continue to drive the need for ambulatory GI procedures in the Applicant's service area.

Limited Access to Ambulatory GI procedures in the Service Area

As noted above, there has been a significant increase in wait times for GI procedures in the Applicant's service area due to aging population and limited access to outpatient GI procedures. The Applicant is the only licensed ASC offering GI procedures in its service area, and the three community hospitals offering outpatient GI procedures in its service area have been experiencing significant disruptions to access due to unforeseen circumstances, including Steward Health System bankruptcy (affecting Morton Hospital and Good Samaritan Hospital) and the fire at Signature Brockton Hospital. Moving more GI procedures to an ASC setting will enable the community hospitals in the Applicant's service area to focus their limited resources on higher acuity procedures.

The Applicant's existing physicians are currently reporting three-week wait times to book GI procedures at the Applicant's ASC or local community hospitals. The New Physicians have been reporting wait times of 45 to 90 days to schedule GI procedures at local community hospitals.

In its Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts (the "HPC Report"), the Massachusetts Health Policy Commission ("HPC") reported limited access to GI procedures in ASCs across the Commonwealth when compared to national averages. The Applicant's ASC is the only free-standing ASC offering GI procedures in Plymouth and Bristol counties according to HPC Report. According to the HPC Report, there are only 12 single specialty GI/Endoscopy ASCs, and 18 total ASCs offering GI/Endoscopy services in Massachusetts. Massachusetts has 2.6 GI/Endo ASCs per million population in MA, compared to 5.9 Gi/Endo ASCs per million population nationally.⁷

ASCs, as compared to traditional hospital settings, provide similar quality services at a lower cost and often in a more convenient location.⁸ The Applicant accepts MassHealth and Medicare, as well as most commercial health plans. The HPC has documented significant price differentials for services performed in ASCs when compared to HOPDs across commercial insurers, MassHealth, and Medicare. Patients with cost sharing through deductibles, copays and co-insurance benefit from lower ASC prices versus HOPD prices. The Commonwealth also benefits from lower facility prices at ASCs versus HOPDs. According to the HPC Report, total prices for the common surgeries examined ranged from 27% to 57% lower in ASCs than HOPDs in 2021 in the commercial population.⁹

⁷ <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

⁸ Bernard J. Healey & Tina Marie Evans, Chapter 5: Ambulatory Care Services, in Introduction to Health Care Services: Foundations and Challenges (Jossey-Bass 1st ed. 2014);

⁹ <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

F1.a.iii Competition

Provide evidence that the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending. When responding to this question, please consider Factor 4, Financial Feasibility and Reasonableness of Costs.

The Proposed Project will have a positive impact on competition in the Massachusetts healthcare market based on price and total medical expense. The Proposed Project seeks to offer high-quality care through a lower cost alternative to outpatient GI procedures performed in an HOPD, which will contribute to Massachusetts's goals for cost containment. As noted above, the Applicant is the only licensed ASC providing GI procedures in the Applicant's service area.

Lower ASC prices typically result in lower patient cost sharing for commercially-insured patients. For example, the average cost sharing for a colonoscopy with polyp removal was roughly 12% lower in an ASC.¹⁰ MassHealth prices are also generally far lower in ASCs than in HOPDs. Since MassHealth pays the same rate for professional services in ASCs and HOPDs, the difference in total price comes from lower facility prices in ASCs. MassHealth patients pay minimal cost sharing regardless of setting, but the Commonwealth benefits from reduced facility prices.¹¹

Overall ASCs bill less for the same procedures as hospitals, for example Medicare pays ASCs 55% percent of what it pays hospitals for the same surgery.¹² On average, the total cost of a colonoscopy(flexible with biopsy) is 41% less at an ASC as compared to an HOPD and the total cost of a small intestinal endoscopy is 52% less at an ASC.¹³ By expanding the capacity of the ASC, more patients in the primary service area will be able to utilize an ASC for GI procedures. ASCs offer lower cost care as compared to HOPDs, while meeting or exceeding the same standards and quality of care. ASCs are able to achieve this lower cost due to significantly lower overhead costs as compared to HOPDs.

As noted above, lower pricing results in reduced cost-sharing for patients, which, combined with the convenience offered by ASCs, may encourage more patients to seek the types of preventative services offered by the Facility. This in turn will result in lower costs for the Commonwealth, as earlier detection of cancer and other illnesses results in better patient outcomes and fewer deaths and reduces overall health care costs in the long term.¹⁴

¹⁰ Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

¹¹ Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

¹² <https://www.provista.com/blog/blog-listing/huge-cost-savings-and-other-benefits-boost-ambulatory-surgery-center-growth>

¹³ <https://www.beckersasc.com/gastroenterology-and-endoscopy/asc-vs-hopd-costs-for-5-most-common-gastroenterology-procedures.html>

¹⁴ Preventing Breast, Cervical, and Colorectal Cancer Deaths: Assessing the Impact of Increased Screening; CDC; Preventing Chronic Disease; Krishna P. Sharma, PhD; Scott D. Grosse, PhD; Michael V. Maciosek, PhD; Djenaba Joseph, MD, MPH; Kakoli Roy, PhD; Lisa C. Richardson, MD, MPH; Harold Jaffe, MD.; available at https://www.cdc.gov/pcd/issues/2020/20_0039.htm.

F1.b.i Public Health Value/Evidence-Based

Provide information on the evidence-base for the Proposed Project. That is, how does the Proposed Project address the Need that Applicant has identified.

The Proposed Project addresses the need that the Applicant has identified by providing for increased patient access to high quality, lower cost outpatient surgical care in a 4 procedure room ASC that will replace Applicant's current 2 procedure room ASC.

The Proposed Project is supported by the Patient Panel need, including as detailed above, an increased need based on the aging population, wait times for scheduling procedures, limited access to ASCs where GI procedures can be performed in the service area, and increasing market forecasts for outpatient GI procedures. The expanded procedure room capacity will accommodate the growth in demand within the Patient Panel and will increase the Facility's ability to offer accessible, lower-cost and high-quality GI procedures.

Clinical Applications of Routine GI Services

The Clinical Services provided by the ASC encompass important preventative health care services for the Patient Panel. Endoscopy is a non-invasive procedure, well suited to the ASC setting, that examines a patient's digestive tract using a flexible tube with a light and a camera. The method allows specialists to view and operate on the patient's internal organs without requiring the patient to experience aspects of conventional surgery like large incisions and long recovery times. Routine endoscopy is used for screening, diagnostic and treatment purposes.

Colonoscopy, a subset of endoscopy, is used as an important screening tool, allowing clinicians to routinely monitor patients and identify disease early on, delaying or preventing further disease progression.¹⁵ Endoscopy may also be used as a diagnostic tool to evaluate stomach pain, ulcers, gastritis, and polyps or growths in the colon.¹⁶ As a diagnostic tool, endoscopy of the upper digestive system has been shown to be more effective than x-rays at detecting abnormal growths, including cancer.¹⁷

Efficiencies of treatment in an ASC

ASCs, especially those tailored to a specialty like the Facility, have been shown to achieve greater clinical and operational efficiencies, when compared to HOPDs.¹⁸ Unlike hospitals, ASCs do not need to be staffed or stocked for a broad range of procedures. ASCs can focus on the needs of their providers and patients, maximize space and staff, and operate more efficiently.

Because ASCs are free-standing, they are not impacted by scheduling delays caused by

¹⁵ T.H. Ro et al, Value of screening endoscopy in evaluation of esophageal, gastric and colon cancers. 21 WORLD J. OF GASTROENTEROLOGY, 33, 9693-706 (Sept. 7, 2015).

¹⁶ Colorectal Cancer Screening, AM. SOC'Y FOR GASTROINTESTINAL ENDOSCOPY, <https://www.asge.org/home/about-asge/newsroom/media-backgrounders-detail/colorectal-cancer-screening> (last reviewed 2017).

¹⁷ Colorectal Cancer Screening, AM. SOC'Y FOR GASTROINTESTINAL ENDOSCOPY, <https://www.asge.org/home/about-asge/newsroom/media-backgrounders-detail/colorectal-cancer-screening> (last reviewed 2017).

¹⁸ Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

emergency procedures or inpatient procedures. Even when compared to HOPDs, ASCs are able to maximize time efficiencies because the patients and the procedures are less complex.¹⁹ Because ASCs are more likely to adhere to a schedule, patients who schedule procedures at ASCs experience reduced wait times and appointment times.

Cost Effectiveness

As noted in F1.a.iii, above, ASCs provide a lower cost alternative to procedures performed in an HOPD, with prices for most common surgeries ranging from 27% to 57% lower in ASCs than HOPDs.²⁰ The price differences are the result of reduced overhead at ASCs required for the performance of lower acuity procedures.²¹

Procedures achieved at lower cost with the same or better standards and quality of care benefit patients, payers, and the health care system as a whole. These lower procedure costs directly benefit patients by reducing the cost-sharing amounts owed as compared to similar procedures performed in an HOPD. Medicaid, Medicare and commercial insurers also realize cost-savings as a result of procedures being provided in an ASC as opposed to other settings.

F1.b.ii Public Health Value/Outcome-Oriented

Describe the impact of the Proposed Project and how the Applicant will assess such impact. Provide projections demonstrating how the Proposed Project will improve health outcomes, quality of life, or health equity. Only measures that can be tracked and reported over time should be utilized.

The Applicant has experience operating the Facility and will continue to implement quality metric tracking to measure and ensure high levels of patient satisfaction and quality of care. AMSURG's national portfolio of 250+ ASCs allows it to establish baseline rates to ensure all centers meet or exceed expectations related to health outcomes, quality of life, and health equity. The Applicant is accredited by the Association of Ambulatory Health Care ("AAHC") and plans to pursue accreditation for the new site as well.

Assessing the Impact of the Proposed Project

To assess the impact of the Proposed Project, the Applicant developed the following quality metrics and reporting schematic, as well as goals for quality indicators that will measure patient satisfaction and quality of care. The measures are discussed below:

¹⁹ Report to the Congress: Medicare Payment Policy (March 2018). Chapter 5: Ambulatory Surgical Center Services, available at http://medpac.gov/docs/default-source/reports/mar18_medpac_ch5_sec.pdf?sfvrsn=0. "Beneficiaries who are sicker may require more time to treat. We have found that, on average, beneficiaries receiving surgical services in HOPDs are not as healthy as beneficiaries receiving those services in ASCs, as indicated by risk scores from the CMS hierarchical condition categories risk adjustment model."

²⁰ Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

²¹ Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

- A. Patient Satisfaction:** Patient experience is a high priority for the Applicant, and the Applicant partners with Press Ganey to measure and track patient experience through the OAS CAHPS survey. The Facility has implemented and will continue to implement AMSURG's patient experience strategy, creating individual center action plans and participating in company-wide best practice action plans to continuously enhance and improve patient satisfaction.

Measure: The Outpatient & Ambulatory Surgery Community Assessment of Healthcare Providers and Systems (OAS-CAHPS) survey will be provided to all eligible patients through a partnership the Applicant will maintain with Press Ganey. The OAS-CAHPS survey focuses on the following areas:

- Preparation for the surgery or procedure;
- Check-in and pre-operative processes;
- Cleanliness of the surgery facility;
- The surgery facility staff;
- Discharge from the facility;
- Preparation for recovering at home;
- Communication; and
- Overall experience and recommendation.

Monitoring: Reports provided by Press Ganey will be reviewed at quarterly QAPI meetings as well as Applicant board meetings. Areas for improvement based on scores will be analyzed with changes in policy and practice implemented as necessary. The Applicant will monitor improvements accordingly.

- B. Infection Rates:** Infections at the Facility are detected through surveillance (i.e. reports received from physician, patient, or any other sources of information which confirms post-operative infection). Infections are captured by submission to AMSURG's risk management event reporting platform. The intent is to reduce the number of admissions (patients) who experience infections at the Facility. AMSURG utilizes an internal dashboard to track and trend post operative infection rates per center and benchmarks rates as compared to the Ambulatory Surgery Center Quality Collaboration ("ASCQC").

Measure: The number of admissions (patients) with infections.

Projections: The Applicant sets quarterly targets and compares performance to AmSurg Benchmarks.

Monitoring: By participating in the ASCQC, AMSURG and the Applicant have the ability to measure, track, and benchmark clinical outcome metrics with other ASCs to improve quality and enhance patient safety. Events are reviewed on a routine basis, trends noted are assessed, and performance improvement plans implemented.

- C. Fall rates:** Falls are captured by Facility submission via AMSURG's risk management event reporting platform. The intent is to reduce the number of admissions (patients) who experience a fall within the Facility. AMSURG utilizes an internal dashboard to track, and trend falls that occur in the center and benchmark rates as compared to the ASCQC.

Measure: The number of admissions (patients) who experience a fall within the Facility.

Projections: The Applicant sets quarterly targets and compares performance to AmSurg Benchmarks.

Monitoring: Debrief huddles are performed in the Facility immediately following a fall. Events are reviewed on a routine basis, trends noted are assessed, and performance improvement plans implemented.

- D. Other Metrics:** In addition to infections and falls, AMSURG tracks burns, wrongs (that is all ASC admissions experiencing a wrong site, wrong side, wrong patient, wrong procedure or wrong implant (including wrong device or lens)), hospital transfers, medication variances, unplanned anterior vitrectomy, normothermia, colon perforations, adenoma detection, scope reprocessing issues, serious safety events, mortality rate, as well as incident reporting rates per applicable center. These measures are tracked and trended via AMSURG's internal dashboard and where an ASCQC benchmark is available are compared to those national benchmarks for quality improvement. ASCQC benchmarks are available for burns, falls, wrongs, hospital transfers, infections, medication variances, unplanned anterior vitrectomy, and normothermia. Where the national ASCQC benchmark is not available, AMSURG tracks center variances and implements performance improvement plans.

AMSURG's risk management department reviews all events submitted in the event reporting platform and determines the need for a root cause analysis ("RCA") to analyze serious adverse events. When deemed necessary an RCA is performed by risk management to investigate gaps in processes, identify contributing factors, develop corrective action plans to prevent reoccurrence and define outcome measures that provides a target for success. Each center maintains a Quality Assurance Performance Improvement ("QAPI") committee, where risk management is linked operationally to maximize patient, staff, and visitor safety. The QAPI committee serves as the oversight committee for risk management and safety. Risk management and safety reports are presented to the QAPI committee on an ongoing basis. The Facility maintains a Governing Board, which has the ultimate authority and accountability for the QAPI program.

F1.b.iii Public Health Value/Health Equity-Focused

For Proposed Projects addressing health inequities identified within the Applicant's description of the Proposed Project's need-base, please justify how the Proposed Project will reduce the health inequity, including the operational components (e.g. culturally competent staffing). For Proposed Projects not specifically addressing a health disparity or inequity, please provide information about specific actions the Applicant is and will take to ensure equal access to the health benefits created by the Proposed Project and how these actions will promote health equity.

The Proposed Project is not specifically addressing a health disparity or inequity; however, the Applicant is committed to ensuring health equity for all patients, including underserved populations. The Applicant currently receives referrals for GI procedures from primary care physicians ("PCPs") across its service area, including PCPs at Manet Community Health Center in Taunton as well as Brockton Neighborhood Center. These two community health centers provide care to historically underserved populations.

The Applicant is dedicated to promoting health equity and promoting equal access to high quality care. The Applicant will ensure this commitment in several ways. The Applicant does not engage in discrimination based on a patient's ability to pay for services or the patient's insurance. The Applicant also does not discriminate on based on patients' physical ability, sensory or speech limitations, or religious, spiritual, and cultural beliefs. Additionally, the Applicant does not discriminate on based on gender, race, religion, sexual orientation, disability status, financial situation, or any other status protected by law.

Because all of the procedures performed at the Facility require anesthesia, public transportation is not a viable option. Patients must rely on a friend or relative to transport them home following their procedures; however, the Applicant is currently exploring transportation options with Uber Health to be able to provide improved access for patients who are unable to secure travel to or from their procedures based on financial or other barriers. The Applicant provides access to interpreter services and continues to explore options to improve this access to mitigate language barriers.

The HPC has noted in its reporting that ASCs in the Commonwealth are less frequently utilized by MassHealth patients than commercial patients, and more research is needed to understand and address drivers of this difference.²² The Applicant looks forward to learning from future research on these drivers and will continue to work with existing and New Physicians as well as referring PCPS to promote access to the ASC for MassHealth patients and mitigate patients' barriers to promote health equity.

F1.b.iv Additional Information of Proposed Project

Provide additional information to demonstrate that the Proposed Project will result in improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity.

As described throughout the application, the Proposed Project will increase access to high quality, lower cost GI care in the service area. This expands patient access to quality care. This also allows cases to move from HOPDs to ASCs, allowing Hospitals to have shorter wait times for more complex and inpatient cases.

F1.c Evidence That Proposed Project Will Work Efficiently

Provide evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, how the Proposed Project will create or ensure appropriate linkages to patients' primary care services.

Most of the Applicant's patient's care is coordinated through the patient's PCP. The Applicant's patients are referred by their PCPs to GI specialists if they are symptomatic or need to schedule routine screening, and the GI Specialists schedule procedures at the Applicant's ASC or an HOPD. Patients have provided feedback to the Applicant indicating

²² Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

the patient flow process from booking all the way through to the completion of the procedure is much smoother and quicker than they have experienced at other facilities.

The Proposed Project will operate efficiently and effectively through continuation of the Applicant's existing processes to coordinate care with PCPs and GI Specialists. The Applicant provides patients with findings from the procedure and next steps prior to discharge. The Applicant schedules patients in a recall system for proper interval follow-up based on their GI specialist's recommendations. The Applicant faxes operative notes from the procedure to the patient's PCP on the day of the procedure as well. The GI specialist follows up with the patient following each procedure to ensure there are no post-procedure complications and to discuss if additional care is needed based on findings from the procedure. The Applicant plans to continue to engage in close collaboration with patient PCPs and GI specialists following completion of the Proposed Project.

F1.d Evidence of Consultation

Provide evidence of consultation, both prior to and after the Filing Date, with all Government Agencies with relevant licensure, certification, or other regulatory oversight of the Applicant or the Proposed Project.

The Applicant has consulted with the following individuals at Government Agencies as well as local elected officials to further inform planning and provide feedback for the Proposed Project.

- Department of Public Health: Determination of Need Program; Dennis Renaud, Program Director; Lynn Conover, DoN Analyst
- Department of Public Health: Health Care Facility Licensure and Certification, Hillary Ward, Director, Plan Review (meeting scheduled for 8/30/24); Stephanie Carlson, Licensure Unit Coordinator
- Town of Easton: Connor Read, Town Administrator
- Town of Easton, Select Board
- Massachusetts House of Representatives representing Easton: Carol Doherty, Representative; Gerard Cassidy, Representative
- Massachusetts Senate, representing Easton: Walter Timilty, Senator

After approval of the Proposed Project, the Project will require Department of Health review and approval of architectural plans as well as a building permit from the City of Easton. After completion of the construction, the Applicant will obtain a Certificate of Occupancy from the City of Easton, a Certificate of Inspection from the Easton Fire Department, and a Certificate of Inspection from the Department of Public Safety. The Applicant will then request a DPH survey and approval to operate the facility.

F1.e.i Process for Determining Need/Evidence of Community Engagement

Process for Determining Need/Evidence of Community Engagement: For assistance in responding to this portion of the Application, Applicant is encouraged to review Community Engagement Standards for Community Health Planning Guideline. With respect to the existing Patient Panel, please describe the process through which Applicant determined the need for the Proposed Project.

The Applicant conducted 2 informational sessions/community forums. The first session was held virtually via Zoom on July 11, 2024 with 10 attendees at the Town of Easton Economic Development Council meeting, and the second was held on July 15, 2024 at an in-person Board meeting at the Easton Town Offices with 15 in-person attendees and additional virtual attendees, at 136 Elm Street, to engage patients and members of the community in accordance with the community engagement standards set forth by the Department of Public Health. Meeting Notices were emailed to patients and posted on the Applicant's website. The Town of Easton publicized the meetings and agendas on its website. The Applicant provided information on the Proposed Project and the benefits of ambulatory surgery centers and solicited feedback from participants. Feedback from these meetings was positive and supportive of the Proposed Project. The presentations used at these community forums are attached to this submission.

F1.e.ii Evidence of Community Engagement

Please provide evidence of sound Community Engagement and consultation throughout the development of the Proposed Project. A successful Applicant will, at a minimum, describe the process whereby the "Public Health Value" of the Proposed Project was considered, and will describe the Community Engagement process as it occurred and is occurring currently in, at least, the following contexts: Identification of Patient Panel Need; Design/selection of DoN Project in response to "Patient Panel" need; and Linking the Proposed Project to "Public Health Value".

As noted in F1.e.i, the Applicant engaged patients and members of the community at 2 community meetings, held on July 11, 2024 and July 15, 2024 to ensure sound community engagement and consultation throughout the development of the Proposed Project.

All participants at the two community meetings expressed overwhelming favor of the Proposed Project and appreciation to have the Applicant expanding and relocating its ASC services to Easton.

For detailed information on these activities, please see the Appendix which includes the presentation explaining the public health value of the proposed project.

FACTOR 2: Health Priorities

F2.a Cost Containment

Using objective data, please describe, for each new or expanded service, how the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment.

The goals for cost containment in Massachusetts center on providing low-cost care alternatives without sacrificing high-quality services. As stated on the mass.gov website, "The Massachusetts Health Policy Commission (HPC) is an independent state agency charged with monitoring health care spending growth in Massachusetts and providing data-driven policy recommendations regarding health care delivery and payment system reform. The HPC's mission is to advance a more transparent, accountable, and equitable health care system through its independent policy leadership and innovative investment programs. The HPC's goal is better health and better care – at a lower cost – for all residents across the Commonwealth."

The HPC continues to monitor performance toward this goal and at the HPC Board meeting on June 7, 2023, the Board included the following finding in its Selected Preliminary Findings from Cost Trends Report Chapters:

- Massachusetts has fewer than half as many ASCs as the average state; the same surgeries are typically paid 50-100% more when taking place in HOPDs.²³

The Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment by increasing access to high-quality care in a lower-cost environment. As previously discussed in the application, procedures occurring in an ASC are reimbursed at lower rates in comparison to HOPDs or inpatient settings.²⁴ As mentioned previously, ASCs bill less for the same procedures as hospitals, for example Medicare pays ASCs 55% percent of what it pays hospitals for the same surgery.²⁵ By adding more procedure room capacity, the Proposed Project will allow more cases to be moved from the inpatient or HOPD settings to an ASC, contributing to overall healthcare cost containment. According to the Ambulatory Surgical Center Association ("ASCA"), patients choosing to have surgeries at ASCs could result in up to \$42.2 billion in savings across the healthcare industry.²⁶

As previously discussed, because ASCs' lower pricing results in reduced cost-sharing for patients, more patients are likely to seek the types of highly effective preventative services offered by the Facility. This in turn will result in lower costs for the Commonwealth, as earlier detection of cancer and other illnesses results in better patient outcomes and fewer deaths and reduces overall health care costs in the long term.²⁷

F2.b Public Health Outcomes

Describe, as relevant, for each new or expanded service, how the Proposed Project will improve public health outcomes.

The Proposed Project will improve public health outcomes by reducing costs and expanding access to care in an ASC setting. As noted throughout the Application, because cost is such an important factor in patients' ability to access high quality care, one in ten adults (10.5%) have delayed or not received care due to cost.²⁸ By allowing increased access to high quality care with lower cost-sharing obligations for patients, the Proposed Project will result in additional patients obtaining potentially life-saving screening services, such as regular screening endoscopies to

²³ Massachusetts Health Policy Commission, HPC Board Meeting slides, June 7, 2023, p.28

²⁴ Massachusetts Health Policy Commission, Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts published in February viewed on July 18, 2024 at <https://masshpc.gov/publications/datapoints-series/issue-26-trends-ambulatory-surgical-centers-massachusetts> accessed July 2024

²⁵ <https://www.provista.com/blog/blog-listing/huge-cost-savings-and-other-benefits-boost-ambulatory-surgery-center-growth>

²⁶ <https://www.provista.com/blog/blog-listing/huge-cost-savings-and-other-benefits-boost-ambulatory-surgery-center-growth>

²⁷ Preventing Breast, Cervical, and Colorectal Cancer Deaths: Assessing the Impact of Increased Screening; CDC; Preventing Chronic Disease; Krishna P. Sharma, PhD; Scott D. Grosse, PhD; Michael V. Maciosek, PhD; Djenaba Joseph, MD, MPH; Kakoli Roy, PhD; Lisa C. Richardson, MD, MPH; Harold Jaffe, MD.; available at https://www.cdc.gov/pcd/issues/2020/20_0039.htm.

²⁸ Louis Levitt. The Benefits of Outpatient Surgical Centers. The Centers for Advanced Orthopedics. June 2017; available at <https://www.cfaortho.com/media/news/2017/06/the-benefits-of-outpatient-surgical-centers>.

detect colorectal cancer.²⁹

The expanded capacity of the Proposed Project will help reduce wait times and increase patient access to gastrointestinal care in a more convenient setting. The Facility utilizes GI Quality Improvement Consortium, Ltd (“GIQuIC”), a medical registry designed to collect, organize, and display data for the purpose of improving patient outcomes through benchmarking, identifying gaps in care, and developing specific and targeted quality improvement initiatives. Specifically, GIQuIC performance measures include adenoma detection rate, age-appropriate screening colonoscopy and appropriate follow up intervals based on colonoscopy findings.

F2.c Delivery System Transformation

Because the integration of social services and community-based expertise is central to goal of delivery system transformation, discuss how the needs of their patient panel have been assessed and linkages to social services organizations have been created and how the social determinants of health have been incorporated into care planning.

The Applicant will continue to work with patients and primary care providers to ensure patients are referred for services as needed. Should social determinations of health needs be identified, staff at the ASC will follow up with the patient’s primary care provider to inform them of the patients’ needs to ensure appropriate follow up.

FACTOR 4: Financial Feasibility and Reasonableness of Expenditures and Costs

Applicant has provided (as an attachment) a certification, by an independent certified public accountant (CPA) as to the availability of sufficient funds for capital and ongoing operating costs necessary to support the Proposed Project without negative impacts or consequences to the Applicant's existing patient panel.

The Applicant has provided a certification (as an attachment), by an independent certified public accountant (CPA) as to the availability of sufficient funds for capital and ongoing operating costs necessary to support the Proposed Project without negative impacts or consequences to the Applicant's existing patient panel, and the Applicant has completed the forms for Factor 4.

FACTOR 5: Relative Merit

F5.a.i Describe the Process of Analysis and Conclusion of Proposed Project

Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

²⁹ Preventing Breast, Cervical, and Colorectal Cancer Deaths: Assessing the Impact of Increased Screening; CDC; Preventing Chronic Disease; Krishna P. Sharma, PhD; Scott D. Grosse, PhD; Michael V. Maciosek, PhD; Djenaba Joseph, MD, MPH; Kakoli Roy, PhD; Lisa C. Richardson, MD, MPH; Harold Jaffe, MD.; available at https://www.cdc.gov/pcd/issues/2020/20_0039.htm.
CEC-24082115-AS

Proposal: The Proposed Project seeks to expand and relocate an existing ASC to a new, larger ASC. The Proposed Project will increase the ASCs capacity by adding 2 additional procedure rooms. The Proposed Project is superior to alternative and substitute methods for meeting the existing patient panel needs identified in this application.

Quality: As detailed throughout this application, GI surgical procedures and care provided at ASCs meet or exceed the quality of care and health outcomes in HOPDs for the same procedures. The Applicant is accredited by the Association of Ambulatory Health Care (AAHC) and plans to pursue accreditation for the new site as well.

Efficiency: The specialized nature of the services offered at the ASC allow the Applicant to achieve clinical and operational efficiencies. Clinical efficiencies are the result of highly trained staff and operational efficiencies are the result of the partnership with AMSURG, a highly experienced management company.

Capital Expense: Establishment of the Proposed Project will result in an appropriate level of capital expenditures to construct and operate an ambulatory surgery center with 4 procedure rooms.

Operating Costs: The incremental operating expenses anticipated for the first full year of operation are expected to be \$3,304,293.00.

Alternative Option for the Proposed Project (1):

Alternative Proposal: Do not relocate and continue operating current 2 procedure room ASC. The current ASC is running at maximum capacity, operating Monday to Friday, 8 hours per day. The Applicant has tried to increase capacity by expanding hours or extending services to Saturdays in the past, however, this approach has not been successful due to nursing and anesthesia staffing challenges.

Alternative Quality: Quality of care would not decrease under this alternative proposal as the current ASC has a high standard of care.

Alternative Efficiency: The alternative would allow fewer patients to be served resulting in fewer cases benefiting from the clinical and operational efficiencies available in an ASC setting.

Alternative Capital Expenses: no change

Alternative Operating Costs: no change

Alternative Option for the Proposed Project (2):

Alternative Proposal: Expand the current ASC from 2 procedure rooms to 4 procedure rooms at current ASC site. The Applicant was not able to lease adjacent space in its current location.

Alternative Quality: no change

Alternative Efficiency: no change

Alternative Capital Expenses: no change

Alternative Operating Costs: no change

Alternative Option for the Proposed Project (3):

Alternative Proposal: Expand the current ASC from 2 procedure rooms to 4 procedure rooms at a different site in West Bridgewater, Bridgewater or Brockton. The Applicant explored four other alternate sites for expansion, but these sites were not acceptable for various reasons including: second floor with no elevator (patient access), no water supply or direct access (cost, quality and access), building management company did not want an ASC in the building, and former bank space not suitable for ASC and would require significant construction and unable to remove large vault in the space (cost).

Alternative Quality: no change

Alternative Efficiency: no change

Alternative Capital Expenses: no change

Alternative Operating Costs: no change

FACTOR 6: Community Based Health Initiatives

Does your existing CHNA/CHIP meet the minimum standards outlined in the Community Engagement Standards for Community Health Planning Guideline?

As an ASC that is not Affiliated with an existing Hospital, the Applicant is not required to submit CHNA/CHIP reports under the Department's Guidelines. The Applicant will be making a CHI payment \$518,569.20 to CHI Statewide Initiative in 2 installments payable to Health Resources in Action (HRA) with the first 50% payment due upon approval of the DoN and the second 50% payment due one year anniversary from approval date.