



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
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DATE: December 20, 2022

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VIA electronic mail: Crystal.Bloom@huschblackwell.com

RE: Notice of Transfer of Site Application #MGB-22092215-TS

Dear Attorney Bloom,

We are in receipt of the above-referenced Notice and its accompanying attachments, dated November 11, 2022, wherein Mass General Brigham Incorporated (MGB) provided notice to the Department of Public Health (the Department) in accordance with 105 CMR 100.745 for a proposed transfer of site of two outpatient endoscopy procedure rooms from the Massachusetts General Hospital (MGH or Hospital) Main Campus in Boston to Mass General Waltham (MG Waltham) in Waltham as described below.

MGB has complied with the requirements of Notice and has provided information sufficient to allow the Department to make a finding that the proposed transaction will neither result in a Substantial Capital Expenditure nor Substantial Change in Service, and thus will not first require a Notice of Determination of Need (DoN).

The proposed transfer of site involves the relocation of two outpatient endoscopy procedure rooms from MGH's main campus at 55 Fruit Street, Boston to its satellite location, MG Waltham, located at 52 2nd Ave, Waltham, MA.

Reason for Request

To preserve timely access to endoscopy services for MGH patients, MGH plans to transfer its right to operate two endoscopy procedure rooms from its Main Campus in Boston to MG Waltham. The Applicant asserts that wait times for endoscopy services could increase if the right to operate the two endoscopy procedure rooms is not transferred to MG Waltham while the Hospital's Main Campus capacity for these services is reduced.

The Applicant has chosen to relocate two endoscopy procedure rooms to MG Waltham because it is a large satellite of MGH where many patients already go for services. In addition, MG Waltham has

available space that requires very minimal work to prepare it for use for endoscopy services, making it an efficient use of existing resources that will meet the needs of the Applicant's Patient Panel.

1. Description

MGB received DoN approval in 2019, to renovate and expand endoscopy services at MGH's Main Campus.¹ The project involved the addition of three treatment rooms and 10 pre- and post-procedural bays, and the renovation of existing administrative space. The Applicant states that in order to complete the renovations required of the previously approved DoN, MGH will need to discontinue use of two existing outpatient endoscopy procedure rooms. Reducing the number of endoscopy procedure rooms during construction has the potential to reduce access to endoscopy services for MGH patients and increase wait times for endoscopy services, which can lead to delays in diagnosis and treatment. MGH Boston will have seven adult endoscopy procedure rooms and one pediatric endoscopy procedure room once the two adult outpatient procedure rooms are transferred to MG Waltham. The eight remaining rooms will provide care to inpatients and outpatients for general gastrointestinal (GI) and interventional cases.

MG Waltham, a licensed satellite of MGH, is located in Waltham and provides comprehensive services, including non-interventional endoscopy, oncology/infusion, blood laboratory pharmacy, rheumatology, vascular, physical and occupational therapy, and ambulatory surgery services. MG Waltham currently has two multi-use ORs dedicated to endoscopies weekly. The Applicant states that MG Waltham has unused space that with minimal renovations could meet current licensure requirements and accommodate two additional endoscopy procedure rooms.² If the proposed transfer of site is approved, MG Waltham will continue to have access to its two existing ORs and will have the additional two endoscopy procedure rooms that will be relocated from MGH's Main Campus.

Gross Square Feet (GSF)

The two endoscopy procedure rooms at the MGH main campus currently occupy 400 GSF. The two endoscopy procedure rooms will occupy 4,850 GSF at MG Waltham, if approved.

2. Demographics and Primary Service Area (PSA)

The Applicant provided detailed patient demographic and patient origin information of patients of MGH who received endoscopy services at the Hospital's Main Campus in Boston and at MG Waltham. In FY22, 21,665 patients received endoscopy services in Boston and 1,279 patients received endoscopy services in Waltham.

Age: MGH Boston has a slightly higher percentage of individuals under 30 years old (8% vs. 5.1%) , and over 75 (10.8% vs. 6.9%) than patients receiving endoscopy services at MG Waltham. MG Waltham had a slightly higher percentage of patients aged 46-60 (40% vs.33.2%).
Ethnicity: Eight percent of MGH Boston patients identified as Hispanic as compared to 4.2% of Waltham patients.

¹ Partners HealthCare System, Inc. – Massachusetts General Hospital DoN# PHS-19040915-HE.

² The scope of work includes patch and paint work, upgrades to information security and Biomed cabling, four new pre-procedure bays, and conversion of a clean supply room to soiled, and a staff bathroom to a patient bathroom.

Race: A slightly higher percentage of MGH Boston patients (4.8% vs. 1.6%) identified as African-American, while a slightly higher percentage of MG Waltham patients identified as Asian (11.3% vs. 5.6%).

The Primary Service Area (PSA) for the Hospital's main campus includes Boston, Charlestown, Chelsea, Dorchester, East Boston, Mattapan, Revere, Roxbury, and Winthrop; and its full service area includes all of Eastern Massachusetts. The MG Waltham PSA overlaps with that of the Hospital's Main Campus service area and includes Waltham, Lexington, Arlington, Cambridge, Newton, and Belmont.

3. *Patient Access*

The proposed site is located approximately 17 miles from the MGH Main Campus. The Applicant states that MGH will take reasonable steps to offer patients services at their preferred location, and that some patients residing closer to Waltham than to Boston, will experience convenient access to endoscopy services at MG Waltham.

4. *Impact on Health Care Spending*

The Applicant states that the Proposed Transfer will:

- Have a positive impact on price due to lower reimbursement rates at MG Waltham when compared to MGH Main Campus;
- Reduce total medical expenditure (TME) through lower reimbursement rates; and
- Result in lower operating costs at MGH Main Campus while the two endoscopy procedure rooms are offline for renovation, and an increase in operating costs at MG Waltham with the increase of two endoscopy procedure rooms. MGH does not expect the impact to the provider to be significant.

The capital expenditure associated with the Proposed Project, \$962,124, are related to construction costs needed to renovate existing space at the proposed space in MG Waltham to accommodate two additional endoscopy procedure rooms. The Applicant notes that the capital expenditure does not exceed the expenditure minimum for outpatient services and therefore the proposed transfer of site does not rise to the level of a Substantial Capital Expenditure. Additionally, MGH is not increasing the total number of endoscopy procedure rooms on its hospital license, so the proposed transfer of site will not result in a Substantial Change in Service.

Findings:

The Department finds that Mass General Brigham Incorporated (MGB) has provided the Department with the information required in 105 CMR 100.745(D). Based upon review of the Notice and supporting materials, the Department finds that this transaction does not require a DoN either as a Substantial Capital Expenditure or Substantial Change in Service, pursuant to 105 CMR 100.730.

The Applicant states that at the end of construction, the Hospital will assess endoscopy procedure volume and decide on whether to make the relocation of the two endoscopy procedure rooms to MG Waltham permanent. Since the Applicant does not know MGH's intention for the two procedure rooms following construction, the Department has outlined the following:

1. If the two endoscopy procedure rooms remain at MG Waltham permanently after construction is completed, and MGH does not reopen two procedure rooms at the Main Campus, then no action is required. A Transfer of Site Application has already been filed for this application.
2. If the two endoscopy procedure rooms remain at MG Waltham permanently, and MGH opens and operates two new endoscopy procedure rooms at MGH's Main Campus, thereby increasing their DoN capacity by two, then DoN review and approval would be required.
3. If the Applicant decides to close the two endoscopy procedure rooms at MG Waltham and relocate them back to MGH's Main Campus, then a Transfer of Site application would be required.



Margret R. Cooke

Commissioner