



**MASSACHUSETTS**  
HEALTH POLICY COMMISSION

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# **NOTICE OF MATERIAL CHANGE FORM**

Health Policy Commission  
50 Milk Street, 8th Floor  
Boston, MA 02109

## GENERAL INSTRUCTIONS

The attached form should be used by a Provider or Provider Organization to provide a Notice of Material Change ("Notice") to the Health Policy Commission ("Commission"), as required under M.G.L. c. 6D, § 13 and 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews. To complete the Notice, it is necessary to read and comply with 958 CMR 7.00, a copy of which may be obtained on the Commission's website at [www.mass.gov/hpc](http://www.mass.gov/hpc). Capitalized terms in this Notice are defined in 958 CMR 7.02. Additional sub-regulatory guidance may be available on the Commission's website (e.g., Technical Bulletins, FAQs). For further assistance, please contact the Health Policy Commission at [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us). This form is subject to statutory and regulatory changes that may take place from time to time.

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### REQUIREMENT TO FILE

This Notice must be submitted by any Provider or Provider Organization with \$25 million or more in Net Patient Service Revenue in the preceding fiscal year that is proposing a Material Change, as defined in 958 CMR 7.02. Notice must be filed with the Commission not fewer than 60 days before the consummation or closing of the transaction (i.e., the proposed effective date of the proposed Material Change).

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### SUBMISSION OF NOTICE

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

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

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

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

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

If the Commission considers the Notice to be incomplete, or if the Commission requires clarification of any information to make its determination, the Commission may, within 30 days of receipt of the Notice, notify the Provider or Provider Organization of the information or clarification necessary to complete the Notice.

The Commission will inform each notifying Provider or Provider Organization of any determination to initiate a Cost and Market Impact Review within 30 days of its receipt of a completed Notice and all required information, or by a later date as may be set by mutual agreement of the Provider or Provider Organization and the Commission.

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### CONFIDENTIALITY

Information on this Notice form itself shall be a public record and will be posted on the Commission's website. Pursuant to 958 CMR 7.09, the Commission shall keep confidential all nonpublic information and documents obtained in connection with a Notice of Material Change and shall not disclose the information or documents to any person without the consent of the Provider or Payer that produced the information or documents, except in a Preliminary Report or Final Report of a Cost and Market Impact Review if the Commission believes that such disclosure should be made in the public interest after taking into account any privacy, trade secret or anti-competitive considerations. The confidential information and documents shall not be public records and shall be exempt from disclosure under M.G.L. c. 4, § 7 cl. 26 or M.G.L. c. 66, § 10.

# NOTICE OF MATERIAL CHANGE

DATE OF NOTICE: 01/03/2022

1. Name: South Shore Health System, Inc.

2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-2105926	N-A	N-A

## CONTACT INFORMATION

3. Business Address 1: 55 Fogg Road

4. Business Address 2:

5. City: Weymouth State: MA 02190 Zip Code:

6. Business Website: [www.southshorehealth.org](http://www.southshorehealth.org)

7. Contact First Name: Joseph Contact Last Name: Driscoll

8. Title: Senior Vice President/General Counsel

9. Contact Phone: 781-624-8000 Extension: 8865

10. Contact Email: [jdriscoll@southshorehealth.org](mailto:jdriscoll@southshorehealth.org)

## DESCRIPTION OF ORGANIZATION

11. Briefly describe your organization.

South Shore Health System, Inc. ("South Shore") is a not-for-profit corporation organized under the laws of the Commonwealth of Massachusetts and a charitable organization described in section 501(c)(3) of the Internal Revenue Code. South Shore serves as the governing authority for an integrated health system that is a provider of health care services, including behavioral health, to the approximately 620,000 residents of southeastern Massachusetts. South Shore is responsible for coordinating care strategy for its affiliates including: South Shore Hospital, Coastal Medical Associates, Inc., South Shore Medical Center, Inc., South Shore Health Express, and the SSIDN.

## TYPE OF MATERIAL CHANGE

12. Check the box that most accurately describes the proposed Material Change involving a Provider or Provider Organization:

- ☐ A Merger or affiliation with, or Acquisition of or by, a Carrier;
- ☐ A Merger with or Acquisition of or by a Hospital or a hospital system;
- ☐ Any other Acquisition, Merger, or affiliation (such as a Corporate Affiliation, Contracting Affiliation, or employment of Health Care Professionals) of, by, or with another Provider, Providers (such as multiple Health Care Professionals from the same Provider or Provider Organization), or Provider Organization that would result in an increase in annual Net Patient Service Revenue of the Provider or Provider Organization of ten million dollars or more, or in the Provider or Provider Organization having a near-majority of market share in a given service or region;
- ☒ Any Clinical Affiliation between two or more Providers or Provider Organizations that each had annual Net Patient Service Revenue of \$25 million or more in the preceding fiscal year; provided that this shall not include a Clinical Affiliation solely for the purpose of collaborating on clinical trials or graduate medical education programs; and
- ☐ Any formation of a partnership, joint venture, accountable care organization, parent corporation, management services organization, or other organization created for administering contracts with Carriers or third-party administrators or current or future contracting on behalf of one or more Providers or Provider Organizations.

13. What is the proposed effective date of the proposed Material Change?

Upon completion of the Health Policy Commission's Notice of Material Change process.

## MATERIAL CHANGE NARRATIVE

14. *Briefly* describe the nature and objectives of the proposed Material Change, including any exchange of funds between the parties (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of Health Care Services) and whether any changes in Health Care Services are anticipated in connection with the proposed Material Change:

South Shore, together with Sturdy Memorial Hospital, Inc. ("Sturdy"), Signature Healthcare Corporation ("Signature"), and Southeast Massachusetts Behavioral Health, LLC, a wholly owned subsidiary of US HealthVest, LLC ("SMBH," and, together with South Shore, Sturdy, and Signature, the "Parties"), propose to form and operate a limited liability company, M4 Health, LLC ("LLC"), that will construct, own and operate a new psychiatric hospital in Southeastern Massachusetts, which is currently underserved with respect to acute psychiatric care programs. Capital contributions, allocations and distributions will be made in accordance with ownership percentage interests as indicated in any governing documents. The objective of the proposed Material Change is to increase access to much needed high-quality, specialized, acute behavioral health care services in the communities served by the Parties. The Parties anticipate that the psychiatric hospital will alleviate their and other hospitals' difficulties in arranging desired discharges from their emergency departments and other units for patients who need inpatient psychiatric care.

15. *Briefly* describe the anticipated impact of the proposed Material Change, including but not limited to any anticipated impact on reimbursement rates, care referral patterns, access to needed services, and/or quality of care:

South Shore does not anticipate that the Material Change proposed will have a negative impact on reimbursement rates. The establishment of a psychiatric hospital will increase access to needed services for vulnerable patient populations in Southeastern Massachusetts by adding additional psychiatric services and programs as well as capacity to the existing services in the communities served by the Parties. The existence of an additional psychiatric hospital will allow acute care facilities and emergency departments to transfer their patients in need of inpatient psychiatric care, with the assurance that such setting is the most appropriate and of high quality. This will not only benefit the vulnerable populations served by the psychiatric hospital but provide significant benefit, in the form of increased access, to the surrounding communities.

## DEVELOPMENT OF THE MATERIAL CHANGE

16. Describe any other Material Changes you anticipate making in the next 12 months:

South Shore, through a subsidiary entity, anticipates submitting an unrelated, additional Material Change Notice regarding a potential contracting affiliation with a Provider Organization.

17. Indicate the date and nature of any applications, forms, notices or other materials you have submitted regarding the proposed Material Change to any other state or federal agency:

N/A

## SUPPLEMENTAL MATERIALS

18. Submit the following materials, if applicable, under separate cover to [HPC-Notice@state.ma.us](mailto:HPC-Notice@state.ma.us).

The Health Policy Commission shall keep confidential all nonpublic information, as requested by the parties, in accordance with M.G.L. c. 6D, § 13(c), as amended by 2013 Mass. Acts, c. 38, § 20 (July 12, 2013).

- a. Copies of all current agreement(s) (with accompanying appendices and exhibits) governing the proposed Material Change (e.g., definitive agreements, affiliation agreements);
- b. A current organizational chart of your organization
- c. Any analytic support for your responses to Questions 14 and 15 above.

[Remainder of this page intentionally left blank]

This signed and notarized Affidavit of Truthfulness and Proper Submission is required for a complete submission.

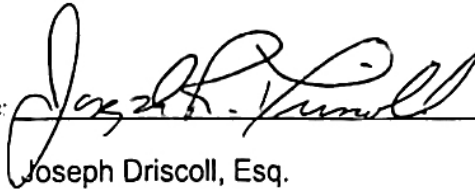
### AFFIDAVIT OF TRUTHFULNESS AND PROPER SUBMISSION

I, the undersigned, certify that:

1. I have read 958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews.
2. I have read this Notice of Material Change and the information contained therein is accurate and true.
3. I have submitted the required copies of this Notice to the Health Policy Commission, the Office of the Attorney General, and the Center for Health Information and Analysis as required.

Signed on the 29th day of December, 2021, under the pains and penalties of perjury.

Signature:



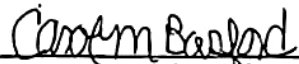
Name:

Joseph Driscoll, Esq.

Title:

Senior Vice President/General Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



Notary Signature

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)