



MASSACHUSETTS
HEALTH POLICY COMMISSION

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. 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. This form is subject to statutory and regulatory changes that may take place from time to time.

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).

SUBMISSION OF NOTICE

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

Health Policy Commission HPC-Notice@state.ma.us;

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

Center for Health Information and Analysis CHIA-Legal@state.ma.us

PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

If the 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.

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: April 30, 2024

1. Name: Southcoast Health System, Inc.

	Federal TAX ID #	MA DPH Facility ID #	NPI #
2.	04-2794625		

CONTACT INFORMATION

3. Business Address 1: 101 Page Street

4. Business Address 2:

5. City: New Bedford State: MA Zip Code: 02740

6. Business Website: www.southcoast.org

7. Contact First Name: Kathleen Contact Last Name: Healy

8. Title: Legal Counsel

9. Contact Phone: 617-557-5995 Extension:

10. Contact Email: khealy@rc.com

DESCRIPTION OF ORGANIZATION

11. Briefly describe your organization.

Southcoast Health System, Inc. ("SHS") is a Massachusetts nonprofit corporation that owns and operates an integrated health care system comprised of three community hospitals, urgent care facilities, physician offices, a visiting nurse association, and accountable care organizations participating in the Medicare Shared Savings Program and MassHealth Medicaid ACO program. SHS serves the residents of Southeastern Massachusetts. SHS is the sole corporate member of Southcoast Hospitals Group, Inc. ("SHG") and certain other affiliates. SHG is the sole corporate member of Southcoast Health Surgical Holdings, LLC ("SHSH"). SHSH currently owns 49% of Same Day Surgicare of New England, Inc. ("SDS") a Massachusetts corporation and a freestanding, multispecialty ambulatory surgical center in Fall River, Massachusetts.

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? Promptly upon receipt of all regulatory approvals.

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:

The proposed Material Change involves SHSH's acquisition of the remaining 51% interest in SDS from the individual physician stockholders. The acquisition will result in SHS becoming the sole stockholder of SDS located at 272 Stanley Street, Fall River, Massachusetts 02720-6009. At the conclusion of the project, SDS will still be the entity that holds the clinic license. The total purchase price for the real estate and remaining 51% interest in the SDS stock is \$4,422,000. SHSH and SDS are committed to keeping the current health care services provided by SDS in the local community. The project will allow SDS to continue to meet and better respond to the health care needs of patients and the communities in its service area, including through the following:

- Providing SDS with greater access to capital resources for service and equipment improvements to support continued and better access to community-based high-quality outpatient surgical services for patients in the service area;
- Enabling SDS to obtain more advanced health information technology that will integrate care across the SHS network thereby enhancing and improving care coordination and continuity of care for the patients of SHS and SDS;
- Strengthening SDS's access to a broader network of clinicians, including specialists, to support the provision of accessible, high quality and cost-effective community-based care within the service area; and
- Fully integrating SDS into SHS's health equity work, including by providing a lower cost, accessible freestanding site of outpatient surgical care for Medicare and Medicaid ACO patients, applying SHS's financial assistance policies to SDS, and incorporating SDS into SHS' health equity and language access initiatives.

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:

The proposed Material Change builds on the existing relationship between SHS and SDA and will allow close and effective coordination between the parties to enhance the quality of, expand access to, and preserve an affordable site of surgical care for the patients in the SHS and SDS service area. SHS and SDS anticipate that the Material Change will allow the following:

- Provide surgical care in an additional cost-effective and high quality care setting;
- Effective integration of care across a broad continuum of services; and
- Population health initiatives that improve access to care in the SHS and SDA service area.

SHS and SDS do not anticipate that the proposed Material Change will have a significant impact on reimbursement rates.

DEVELOPMENT OF THE MATERIAL CHANGE

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

SHS anticipates submission of a Notice of Material Change regarding the proposed acquisition of a long-term care facility in the next 12 months.

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:

SHS and SDS will file a Notice of Intent to Acquire and a Determination of Need Application with the Department of Public Health. With respect to the proposed Material Change, SHS and SDS have provided notice of intent to file a Determination of Need Application and have requested consultation with the Massachusetts Attorney General (4/24/24), MassHealth (4/24/24), Health Policy Commission (4/24/24), Center for Health Information and Analysis (4/24/24), and the Department of Public Health (4/24/24).

SUPPLEMENTAL MATERIALS

18. Submit the following materials, if applicable, under separate cover to 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.

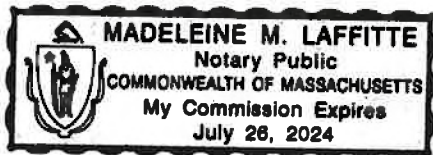
Signed on the 30 day of April, 2024, under the pains and penalties of perjury.

Signature: *Kathleen G. Healy*

Name: Kathleen G. Healy

Title: Legal Counsel

FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:



M. Laffitte
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)