

**STAFF REPORT TO THE PUBLIC HEALTH COUNCIL  
FOR A DETERMINATION OF NEED**

Applicant Name	The Children's Medical Center Corporation
Applicant Address	300 Longwood Avenue, Boston, MA 02115
Filing Date	October 13, 2023
Type of DoN Application	Substantial Capital Expenditure
Total Value	\$481,371,000.00
Project Number	BCH-23082514-HE
Ten Taxpayer Groups (TTG)	Three
Community Health Initiative (CHI)	\$24,068,550.00
Staff Recommendation	Approval
Public Health Council	March 13, 2024

**Project Summary and Regulatory Review**

The Children's Medical Center Corporation ("CMCC" or "Applicant"), the sole corporate member of The Children's Hospital Corporation, submits this Application for approval of a Proposed Project at Franciscan Hospital for Children, Inc. ("Franciscan") located at 30 Warren Street, Brighton, MA, that includes 1) construction of a replacement facility to enable an improvement in the delivery of mental health services and post-acute rehabilitation services that includes replacement of 112 licensed beds and the addition of 4 new licensed beds; 2) consolidation of mental health services including relocating 12 operational psychiatric beds and an approved but not yet implemented partial hospitalization program from The Children's Hospital Corporation (d/b/a/Boston Children's Hospital, Inc., "BCH") in Waltham; 3) renovate ambulatory dental surgical suite and add a fourth operating room. The Maximum Capital Expenditure is \$481,371,000; the Community Health Initiative commitment is \$24,068,550.

This Determination of Need (DoN) Application falls within the definition of substantial capital expenditure, which is reviewed under the DoN regulation 105 CMR 100.000. The Department must determine that need exists for a Proposed Project, on the basis of material in the record, where the Applicant makes a clear and convincing demonstration that the Proposed Project meets each applicable DoN Factor set forth within 105 CMR 100.210. This staff report addresses each of the six factors set forth in the regulation.

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## Background and Application Overview

On August 22, 2022, the Department approved DoN #20121712- for an institutional affiliation categorized as a Transfer of Ownership, whereby The Children’s Medical Center Corporation (“CMCC” or the “Applicant”), became the sole corporate member of Franciscan Hospital for Children, Inc. (“Franciscan”). The affiliation formally closed on July 1, 2023, after obtaining final approval from the Vatican. The Proposed Project, described herein is designed to operationalize the vision<sup>1</sup> described in the Transfer of Ownership DoN Application.

**The Children’s Hospital Corporation** d/b/a Boston Children’s Hospital (“BCH”) is comprised of 485 licensed acute pediatric beds, a level 1 pediatric trauma center, a network of pediatricians, that includes primary care, through Children’s Hospital Primary Care Center and the Pediatric Physician’s Organization at Children’s (“PPOC”). As described in more detail below, BCH provides pediatric mental health for children along the continuum of care.

**Franciscan Hospital for Children** was founded in 1949 and is the only licensed pediatric chronic disease and rehabilitation hospital<sup>2</sup> in Massachusetts with 112 licensed beds of which approximately 80 are staffed and operational, which is addressed further in this Proposed Project. It is a recognized pediatric service provider with the specialized ability to care for (i) medically complex children,<sup>3</sup> including newborn babies on ventilators, (ii) children with mental health conditions requiring inpatient services, short-term residential, school-based, ambulatory and/or community-based services, (iii) children who need specialized dental services, including dental surgeries under general anesthesia, and (iv) children with specialized educational needs due to their physical and/or cognitive condition, including the Kennedy Day School.<sup>4</sup> Patients are referred to Franciscan from acute care hospitals, emergency departments, mobile crisis teams, school systems, and other providers in Massachusetts and New England.

### The Proposed Project

The Applicant states that the with the approval of the previous Transfer of Ownership, Franciscan is able to address identified needs such as (1) enhancing services needed by current patients and families, (2) expanding services to reach more underserved children and adolescents, and (3) maintaining and updating its aging and inefficient physical plant. As a result of issues related to the aging plant, Franciscan is currently operating only ~80 (~71%) of its 112 licensed beds. With the implementation of the Proposed Project, all of the currently licensed beds will become operational and 4 additional beds will be added. Table 1 depicts the current

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<sup>1</sup> which included of updating, modernizing and expanding services

<sup>2</sup> DPH operated facilities, like Pappas Rehabilitation Hospital for Children, (PRHC) do not operate under a BHCSQ license.

<sup>3</sup> Patients with medically complex conditions include: chronic lung disease, feeding problems, technology dependency (including gastronomy tubes and ventilators), brain or spinal cord injury.

<sup>4</sup> The school provides collaborative special education, therapeutic, and health services, including mental health to more than 60 students, ages 3 to 22, with significant, complex needs from more than 30 cities and towns across Massachusetts. [More information at franciscanchildrens.org](https://www.franciscanchildrens.org)

status of licensed beds, those that are operational, and the Proposed Project's final complement of licensed beds. The rationale for the changes in the configuration of beds is discussed further under Patient Panel Need, Factor 1(a).

**Table 1: Current and Planned Bed Complement Following Project Completion**

Classification of Beds	Currently Licensed	Currently Operational	Final Licensed Bed Complement upon Proposed Project's Completion
Medical Rehabilitation (L II)	80	48	60
Mental Health	32	32	56
<b>Total</b>	<b>112</b>	<b>80</b>	<b>116</b>

The Proposed Project includes the following:

1. **Construction of a New Replacement Facility** of ~ 279,000 gross square feet ("GSF"), to include:
  - 116 licensed beds (4 net new; currently 80 beds are in operation) with all private rooms.
    - 60 pediatric medical and rehabilitative beds (currently 48 beds are in operation),
    - 56 pediatric mental health beds (currently 32 beds are licensed, and all are in operation) to include:
      - 48 pediatric mental health beds
      - 8 pediatric Intellectual Disability Disorders ("IDD") Autism/Neurodevelopmental disability beds (a new program, no beds currently)
  - a partial hospitalization program for patients with mental health and/or medical conditions
  - a partial hospitalization program for patients with IDD (autism/neurodevelopmental)
  - an intensive outpatient program
  - a therapy pool and physical therapy/occupational therapy space;
2. **Consolidation of Most Mental Health Services** The Applicant seeks to relocate two mental health services from BCH Waltham to Franciscan. Specifically:
  - A 12-bed inpatient psychiatric unit at the BCH Waltham campus, approved by the Department as an emergency request during the COVID 19 Pandemic (January 2021).<sup>5</sup>
  - A partial hospitalization program, approved by the Department as part of a Substantial Capital Expenditure DoN BCH #21071411-HE (December 2022).<sup>6</sup>

<sup>5</sup> <https://www.mass.gov/doc/boston-childrens-hospital-approval/download> This would remove 12 beds from BCH's license resulting in a change from 485 to 473 licensed beds. At Franciscan, the net new beds is only 4 because of a shift in the bed configuration.

<sup>6</sup> <https://www.mass.gov/doc/staff-report-pdf-the-childrens-medical-center-corporation/download>

The Applicant states the “co-localization of the full continuum of care and integration of the providers” across both Franciscan and BCH will improve access and quality of care for children with mental illness.

- **Renovation of the Ambulatory Surgery Suite and Addition of One (1) operating room (“OR”)** within the existing facility, for a total of 4 ORs, to expand access for children with specialized medical and mental health conditions who require dental and other minor ambulatory surgical procedures.

As a result of the improvements of the Proposed Project, the Applicant states the new and renovated facility will enable Franciscan to deliver what it refers to as a “modern suite of medical and rehabilitative services” to the pediatric population with complex medical and mental health needs, including dental surgeries. Per the applicant, Franciscan will be better positioned to support the Commonwealth in the development and implementation of Massachusetts’s *Roadmap for Behavioral Health Reform: Ensuring the right treatment when and where people need it*<sup>i</sup> through consolidations, the expansion of needed programs and efficiencies gained.

The Proposed Project will be designed using sustainability and energy conservation principles, with a target of Gold level certification by U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED). The maximum capital expenditure (MCE) for the Proposed Project is estimated to be \$481,371,000.

## Patient Panel<sup>7</sup>

With the recent Affiliation of Franciscan and BCH, the two entities’ Patient Panels have not been consolidated, as the IT systems utilized and types of data that each collects are different. Both Franciscan and BCH serve pediatric mental health patients and children with medically complex needs and serve many of the same patients; however, the health care services they provide are delivered at distinctive points of the care continuum and the crossover of patients among the two hospitals is unknown. The data needs of each hospital differ and staff notes that the numbers cannot be added together. Staff finds that separate reporting is acceptable for this Application. (See Table 2)

**Table 2: Overview of Patient Panels- FY18-FY22**

Year	FY18	FY19	FY20	FY21	FY 22
Unique Patients	Count	Count	Count	Count	Count
BCH	219,857	229,342	209,610	251,058	269,617
Franciscan	7,026	7,059	4,076	4,369	4,213

<sup>7</sup> As defined in 105 CMR 100.100, Patient Panel is the total of the individual patients regardless of payer, including those patients seen within an emergency department(s) if applicable, seen over the course of the most recent complete 36-month period by the Applicant or Holder.

The number of patients utilizing the services of BCH has increased over the past five years by 49,760 unique patients, or a 5.2% annual compounded growth rate. Franciscan's number of unique patients served has decreased over the past four years by 2,813; it attributes the decline to (1) the closure of Franciscan's Pediatric Primary Care Clinic in September of 2019 due to falling demand and inadequate reimbursement,<sup>8</sup> and (2) reductions in demand for certain services during 2020 through 2022 due to the effects of the COVID-19 pandemic.

The Applicant provided five years of demographic information for the fiscal years 2018-22 for both parties, BCH and Franciscan. Table 3 provides a demographic profile on each parties' patients for the most recent two years of data provided, FY 2021 and 2022.<sup>9, 10</sup>

**Table 3: Demographic Profile of BCH and Franciscan Patients- FY21-22**

<b>Facility</b>	<b>BCH</b>		<b>Franciscan</b>	
<b>Gender</b>	<b>FY 21</b>	<b>FY 22</b>	<b>FY 21</b>	<b>FY 22</b>
Female	51.5%	50.6%	46.5%	45.5%
Male	48.4%	49.3%	53.5%	54.4%
Unknown	0.0%	0.1%	0.0%	0.1%
<b>Age</b>				
0-2 years	16.6%	17.4%	4.25%	4.5%
3-5 years	11.6%	12.8%	31.30%	29.3%
6-10 years	18.3%	19.6%	34.84%	35.4%
11-15 years	21.0%	21.0%	17.58%	17.3%
16-18 years	11.8%	11.9%	6.64%	6.5%
19+ years	20.6%	17.3%	5.39%	7.1%
<b>Race/Ethnicity*</b>				
Asian, non-Hispanic	4.9%	5.6%	8.4%	10.4%
Black, non-Hispanic	9.7%	9.5%	13.4%	12.8%
Hispanic	16.0%	16.4%	23.3%	24.8%
White, non-Hispanic	60.7%	59.9%	45.1%	40.2%
Another Race, non-Hispanic	7.0%	6.8%	9.8%	11.8%
Multiracial, non-Hispanic	1.7%	1.9%	NA	NA
<b>Patient Origin</b>				
HSA_1: Western MA	1.8%	1.7%	1.6%	1.6%

<sup>8</sup> Franciscan's Primary Care Clinic had 6,696 patient visits in FY 18 and 5,888 in FY19 before it closed. Franciscan coordinated with Charles River Community Health Center to provide patients a local Brighton option to continue quality care.

<sup>9</sup> Because the data is collected differently, the Applicant urges caution in comparing the two entities.

<sup>10</sup> See Tables 1-10 of the DoN Application for detailed information of both Patient Panels

<https://www.mass.gov/doc/application-with-exhibits-pdf/download>

Facility	BCH		Franciscan	
HSA_2: Central MA	6.3%	6.2%	14.0%	15.2%
HSA_3: Northeast	17.3%	17.1%	17.2%	19.2%
HSA_4: Metro West	34.6%	34.2%	21.1%	22.1%
HSA_5: Southeast	14.5%	13.9%	14.3%	19.2%
HSA_6: Boston	20.3%	19.6%	24.6%	14.6%
Unknown	5.1%	7.3%	7.3%	8.1%
*Numbers may not add up to 100% due to rounding				

**Gender:** BCH's patient mix consists of approximately 50.6% females and 49.3% males. Franciscan's FY22 patient mix consists of approximately 54.4% males and 45.5% females.

**Age:** BCH serves a greater number of patients in the youngest and oldest age cohorts than Franciscan. For its youngest patients it operates neonatal and pediatric intensive care units. Because of the relationships developed among the team and family over a child's lifetime, it continues to treat a significant cohort of complex patients over age 19.<sup>11</sup> The largest age cohort of patients served at Franciscan is the 6-10 group (35.4%).

**Race:** In FY22, 59.9% of BCH's statewide patient population (excluding those listed as unknown) identified as White, non-Hispanic; 16.4% identified as Hispanic; 9.5% identified as Black, non-Hispanic; 6.8% identified as Another Race, non-Hispanic; 5.6% identified as Asian, non-Hispanic; and 1.8% identified as Multiracial, non-Hispanic.

In FY22, 40.2% of Franciscan's patient population (excluding those listed as unknown) identified as White, non-Hispanic; 24.8% identified as Hispanic; 12.8% identified as Black, non-Hispanic; 11.8% identified as Another Race, non-Hispanic; and 10.4% identified as Asian, non-Hispanic.

**Patient Origin:** While BCH provides care to patients from around the world, its statewide Patient Panel resides mainly in Eastern Massachusetts. Applying the Department of Public Health's Health Service Area ("HSA") categories to FY22 data, 34.2% of BCH's Massachusetts patients reside in HSA 4; 19.6% reside in HSA 6; 17.1% reside in HSA 3; 13.9% reside in HSA 5; 6.2% reside in HSA 2; 1.7% reside in HSA 1; and the origin of 7.3% is unknown.

Franciscan's Patient Origin reflects a similar pattern to BCH's but with a larger percentage, 15.2%, residing in Central MA, HSA 2, and a smaller percentage, 22.1.0% residing in Metro West, and 14.6% residing in Boston (HSA 6)

**Payor Mix:** BCH has increased its treatment of patients enrolled in Medicaid from 37.7% in 2018 to 42.2% in 2022.<sup>12</sup>

Franciscan's payor mix is measured not by portion of revenue but by number of patients; over 70% are covered by Medicaid. (See Table 4) A Health Policy Commission ("HPC") report found

<sup>11</sup> For example for patients with genetic or chronic conditions.

<sup>12</sup> See Table 6 of Application Narrative <https://www.mass.gov/doc/narrative-pdf-franciscan-hospital/download>

that 4.5% of commercially insured children, and 6.4% of children with MassHealth MCO/ACO coverage are children with complex medical needs.<sup>13</sup>

**Table 4: Payor Mix for BCH and Franciscan**

Payor Mix <sup>14</sup>	Medicaid		All Other	
	2021	2022	2021	2022
BCH	40.4%	42.2%	59.6%	57.8%
Franciscan	62.7%	70.1%	37.3%	29.9%

Additional service specific patient information concerning pediatric patients that receive mental health, dental services, post-acute care, and medically complex care from BCH or Franciscan, is included below as applicable.

### Factor 1a: Patient Panel Need

The Applicant attributes need for the Proposed Project to the following:

1. The Aging Facility and Infrastructure Needs Replacement
2. Pediatric Mental Health Services Require Consolidation and Expansion
3. Need to Expand to Address Need for Post-Acute Medical Rehabilitation Services
4. Need to Expand Access to Dental Healthcare Including Surgical Services.

Table 5 shows historical unique patients and historical volume of Franciscans services that are included in the Proposed Project. There are substantial year over year fluctuations reflecting the impact of the COVID Pandemic and the facility and programmatic challenges discussed in each section. While volume has not reached pre-COVID levels more children have been served in the last two years.

**Table 5: Historical Patient Utilization Data**

	FY18	FY19	FY20	FY21	FY22	FY23	FY 21-23
	Count	Count	Count	Count	Count	Count	% Change
<b>Mental Health</b>							
Unique Patients	1,528	1,839	1,414	1,205	1,158	1,310	8.7%
Total Unique outpatient Visits	15,525	20,989	22,588	18,400	17,274	20,739	12.7%
Total Patient Inpatient Days	14,393	14,163	13,353	13,368	11,258	12,701	-5.0%
<b>Medical Rehabilitation</b>							

<sup>13</sup> Section 7 of Chapter 124 of the Acts of 2019

<sup>14</sup> CMCC collects this information by percentage of Revenue, and Franciscan by percentage of patients. As such comparisons cannot be made across the two.

Unique Patients	160	142	148	119	147	147	23.5%
Total Patient Inpatient Days	14,382	14,786	14,431	13,632	13,680	14,186	4.1%
<b>Dental Service</b>							
Total Unique Patients	3,392	3,265	2,469	2,537	2,285	2,712	6.9%
Total Unique Visits	8,020	7,594	5,176	5,611	4,933	6,565	17.0%
Total Surgical Cases	2,934	2,988	2,364	2,895	2,800	2,905	0.3%

## 1. The Aging Facility and Infrastructure Needs Replacement

**A. Outdated infrastructure and systems-** The Applicant adds that based on the age of Franciscan's plant and its current condition, all rooms are multi-bed rooms (greater than 2); life safety systems are significantly outdated and experience problems such as power outages; some of the facilities have not been renovated since it was opened 75 years ago; and there is inadequate high-speed internet which hampers integration, electronic health records, data collection and team communications. The average age of the Franciscan plant<sup>15</sup> is 19.5 years compared to the average age of 11.9 years for 130 freestanding hospitals, single-, and multi-state health systems.<sup>16</sup> The average age can be an important measure of the condition of these assets and the likely need for future capital investments to maintain or upgrade facilities. The Applicant cites a recent study showing an inverse relationship between the age of a hospital's infrastructure and Centers for Medicare & Medicaid Services Hospital Value Based Purchasing Total Performance Scores<sup>ii</sup> which are composed of four equally weighed domains- Efficiency and Cost Reduction, Clinical Care, Patient and Caregiver Centered Experience, and Patient Safety. Hospitals with a younger age of plant (0-8 years) had a total performance score of 2.35 points higher than hospitals with an average age of plant greater than 14.6 years while controlling for hospital ownership, size, teaching status, geographic location, service mix, case mix, length of stay, community served, and labor force relative cost.

**B. Multi-bed rooms-**The Applicant states that, prior to the affiliation, Franciscan was unable to invest in facilities updates due to limited reimbursement by public and private payors for both medical rehabilitative, and mental health services.<sup>17</sup> Consequently, many of the facility's clinical areas are outdated and do not meet current standards. For example, there are primarily communal baths, and the facility has multi-bedded rooms (3 and 4 beds) that do not meet current clinical practice standards and therefore the facility cannot operate all of its licensed

<sup>15</sup> The "average age of a hospital plant" refers to the mean age of the equipment, infrastructure and physical facilities, of a hospital. This includes buildings, medical equipment, HVAC systems, and other major components that make up the physical environment of the hospital.

<sup>16</sup> Moody's Investors Service reports the average age of 130 freestanding hospitals, single-state health systems and multistate health systems. See *Moody's Investors Service, "Not-for-profit and public healthcare – US: Medians" report, September 2020.*

<sup>17</sup> The Applicant states that reference is made throughout to **mental health services, rather than** behavioral health services as contemplated by the Affiliation DoN. This change is made to reflect that the Proposed Project seeks to address the broader category of conditions, mental health conditions, that do not necessarily include behavioral symptoms.

beds.<sup>18</sup> Currently, approximately 48 medical rehabilitative beds, and approximately 32 mental health beds are operating out of 80 and 32 respectively. (See Table 1).

The Applicant explains that these multi-bed rooms limit the placement of the large complex medical equipment required for the majority of their medically complex children and pose problems of matching children with compatible patients. New admissions must be matched with current patients based on criteria such as age, gender, infection control and clinical presentation. For example, special infection control measures must be taken for children on ventilators,<sup>19</sup> and a 17-year-old cannot be placed with a 4-year-old. Furthermore, the Applicant reports that on the mental health units the census can be reduced to account for increased acuity and the challenge of managing patients with aggressive tendencies. Table 6 shows that in 2022 the average daily census was 18.9 despite having the full 32 licensed capacity operational. Therefore, admissions to multi-bed rooms are frequently blocked due to one of the above criteria, thereby preventing additional admissions to children. On a daily basis, the Applicant reports the challenge to serve a greater number of children, whereby patients are moved from one room to another in an effort to serve a greater number of children; this diverts staff and other resources from care delivery and negatively impacts patients and families.<sup>20</sup> Room matching and blocking also contributes to Franciscan not being able to fill the full complement of its licensed beds.

**C. Not Purpose-Built-** The Applicant stresses the physical environment leads to challenges in care delivery. Areas of the existing facilities were not built for their current use and have been modified from existing spaces. As such, issues relating to light, physical distance, unique spaces for de-escalation and calming modalities, and physical environment adjustments (all of which are of particular import for children with mental health diagnoses) are inadequate to provide the best level of care for the current high acuity of patients requiring in-patient care. As an example, the Community Based Acute Treatment (“CBAT”) unit is on multiple floors of what was originally constructed as housing for Franciscan’s nuns. Consequently, the multi-level space poses elevated risk of injury by patients and to decreased staff well-being since there is inadequate space for staff’s own coping and calming strategies which contributes to staff burnout. Accordingly, the ability of staff to deliver safe effective care to children is hampered by inefficient therapeutic space.

The Applicant asserts, a purpose-built facility that is designed for pediatric patients using the most recently established best practices for the intended type of care to be delivered, that has all private patient rooms, and a safe and effective therapeutic environment will better serve the highly specialized needs of Franciscan’s pediatric mental health and medically complex post-acute children, and their specialized dental patients (who have sensitivities related to their medical and mental health conditions).

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<sup>18</sup> With licensed capacity of 112, approximately in all 3 bedded rooms, approximately one third are out of service.

<sup>19</sup> The Applicant states ~60% of medically complex Children are on ventilators. (Discussed further in Factor 1.)

<sup>20</sup> This was exacerbated during the COVID-19 pandemic when there was a sharp increase in children requiring respiratory rehabilitation following an acute inpatient admission, prior to being discharged home.

## 2. Address the need for Pediatric Mental Health Services Through Expansion and Consolidation

The American Academy of Pediatrics, the American Academy of Child and Adolescent Psychiatry and the Children's Hospital Association jointly declared a National State of Emergency in Children's Mental Health in October of 2021 after decades of stigma, workforce shortfalls,<sup>21</sup> institutional and system under-investment, and a lack of systems integration—all of which were further exacerbated by the COVID-19 pandemic.<sup>22</sup> The Applicant also cites the Surgeon General's report stating that pediatric mental health has reached a crisis point in Massachusetts and beyond.<sup>23</sup>

Children in the Commonwealth experience long wait times for outpatient mental health services, neuropsychological testing, certain therapies, and emergency room boarding awaiting placement to appropriate level of mental health services. Within Massachusetts, *The Roadmap for Behavioral Health Reform* states that this state requires critical system reforms in order to adequately address the growing mental health care needs of the patient community. The COVID-19 pandemic resulted in greater need for access to inpatient adolescent and pediatric psychiatric services due to quarantine orders, remote learning and destabilization of families.<sup>iii</sup> Compared with 2019, the proportion of mental health-related visits for children aged 5-11 and 12-17 years increased approximately 24% and 31%, respectively in 2020.<sup>iv, 24</sup> The Applicant asserts the mental health treatment needs of the patients treated by Franciscan are even more acute and complex than those contemplated across the *Roadmap for Behavioral Health Reform*. Franciscan has increasing demand for its pediatric mental health services.<sup>v</sup> Despite Franciscan's significant allocation of resources to mental health care, children currently experience a 2-month waitlist for psychiatric care, a 6–12-month waitlist for outpatient therapy, and a 9-12 month waitlist for neuropsychological testing.<sup>25</sup> Further the percentage of

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<sup>21</sup> Which it attributes to burnout and insufficient reimbursement for the provision of mental health services across the spectrum of levels of mental health providers.

<sup>22</sup> The National Institute of Mental Health's estimates that nearly half of U.S. adolescents ages 13-18 have at least one mental health condition with nearly a quarter having severe impairment. Fewer than half of young people with these disorders receive treatment and the mean duration of time from first symptom onset to first contact with any mental health provider is ten years. <https://www.aap.org/en/advocacy/child-and-adolescent-healthy-mental-development/aap-aacap-cha-declaration-of-a-national-emergency-in-child-and-adolescent-mental-health/>.

<sup>23</sup> See THE U.S. SURGEON GENERAL'S ADVISORY, U.S. DEP'T OF HEALTH AND HUMAN SRVCS., PUBLIC HEALTH SRVC., OFF. OF THE SURGEON GEN., *Protecting Youth Mental Health*, (2021) (noting that "in 2016, of the 7.7 million children with treatable mental health disorder, about half did not receive adequate treatment).

<https://www.hhs.gov/sites/default/files/surgeon-general-youth-mental-health-advisory.pdf>. The report further notes that "researching covering 80,000 youth globally found that depressive and anxiety symptoms doubled during the pandemic, with 25% of youth experiencing depressive and 20% experiencing anxiety symptoms.

<sup>24</sup> The Massachusetts FY21 Application and FY19 Report for the Maternal and Child Health Services Block Grant Program found that mental health was a priority issue in the areas of child health, adolescent health, and children and youth with special health needs.<sup>24</sup>

<sup>25</sup> Franciscan's outpatient behavioral health department has three separate components – 1) neuropsychological assessment, 2) therapy, and 3) psychiatry – each with a distinct waitlist. 1) The neuropsychological assessment program uses a variety of instruments to evaluate neurological conditions and assess children struggling with an array of clinical presentations. 2) Therapy services can be individual, group, or family in approach, and are provided

children with Mental Health diagnoses waiting greater than two hours in Observation in the BCH ED has increased from 9.1% to 27.4%.<sup>vi</sup> The Proposed Project aims to improve upon access to these programs through efficiencies gained, co-location of programs and staff as described herein.

**Current Programs Provided by Franciscan and BCH-** Franciscan provides services through a 32-bed inpatient psychiatric unit, an 18-bed CBAT program, and outpatient mental health programs on its Brighton campus, and the Kennedy School. Franciscan's mental health patient population includes patients with a diverse range of mental health conditions.<sup>26</sup>

The inpatient and CBAT programs' treatment goals include restoration of safety, management of high-risk behaviors, acute stabilization of mood and other symptoms, restoration of self-image and reduction of suicidal thoughts and behaviors. In recent years, Franciscan has observed increased acuity in its CBAT program, with CBAT serving as a diversion from emergency department stays and boarding, sites that are unable to provide a therapeutic environment. Referrals and admissions originate from throughout Massachusetts from a variety of settings including (1) Emergency departments and acute inpatient psychiatric units, (2) other CBAT programs, (3) outpatient sites and (4) school-based services. For children and adolescents in crisis, Franciscan's 32-bed inpatient mental health program and its CBAT program both admit from over 50 different emergency rooms and crisis teams across the state and including from all of BCH's mental health programs.<sup>27</sup>

BCH also operates clinically integrated programs across the continuum of care. On its Longwood campus, BCH provides services through its 16-bed inpatient psychiatric unit and outpatient mental health programs. BCH's Waltham site currently operates outpatient mental health programs, a 12-bed CBAT program, and a 12-bed inpatient adolescent and pediatric psychiatric unit.<sup>28</sup> BCH uses 45 inpatient beds for children and adolescents with severe co-occurring medical and psychiatric disorders. As part of a larger Substantial Expenditure DoN project, the Department approved the establishment of a partial hospitalization program which has not yet opened in Waltham.<sup>vii</sup> As part of this Proposed Project, the Applicant is seeking to consolidate its mental health programs currently located in Waltham (the partial hospitalization program and the licensed 12-bed psychiatric unit) by moving them to Franciscan upon completion of the new facility.

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by psychologists, social workers, and mental health counselors typically on a weekly or bi-weekly frequency. 3) Psychiatry provides medication management and evaluation services.

<sup>26</sup> including mood disorders, depression anxiety, adjustment disorders, post-traumatic stress disorder, other trauma related disorders, attention deficit disorder ("ADHD"), disruptive behavior disorders and psychosis.

<sup>27</sup> Franciscan has a long-standing contractual relationship with McLean Hospital under which McLean provides professional staffing and program management for Franciscan's psychiatric acute inpatient unit and CBAT. Pursuant to that contractual relationship, McLean clinical leadership has directly participated in the development of plans for potential pediatric mental health service improvements and expansions under the Proposed Project.

<sup>28</sup> Approved in 2021 as part of the COVID state of emergency <https://www.mass.gov/doc/boston-childrens-hospital-approval/download>

Both entities have developed, and supplemented programmatic funding for school-based mental health programs in the Boston Public Schools to address children’s mental health needs and improve equitable early access for those who are underserved. Franciscan provides direct care services in the Kennedy School and in 18 Boston Public Schools.<sup>29</sup> The Applicant stresses that the goal of these programs is early intervention and treatment to avert the need for more intensive levels of treatment including inpatient care.<sup>30</sup> While these school-based services are not a component of this Proposed Project since there are no associated Capital Expenditures, they are an essential component of the Applicant’s continuum of care that the applicant is dedicated to investing in to strengthen and expand with improved integration.

### **The Need for Consolidation and Expansion of Mental Health Services to One Location**

Franciscan’s most recent Community Health Needs Assessment (“CHNA”), conducted over the spring/summer of 2021, concluded that access to mental health care is a pressing concern in the community, particularly among children.<sup>viii</sup> Similarly, BCH’s 2019 CHNA also concluded that mental health issues continue to be a high-priority concern, with about 7.5% of respondents aged 18 or under reporting to the Boston CHNA Community Survey that they had needed mental health services but had not been able to access them.<sup>ix</sup>

As noted in the Background section, the Proposed Project is a Substantial Capital Expenditure Project that will replace the current mental health clinical spaces with purpose-built clinical spaces, thereby allowing for both consolidation of existing approved programs and services into one location, as well as enable full operation of all approved licensed beds and service expansion to address needs. Through the Proposed Project, the Applicant will address gaps in mental health services, described below, including the transfer of 12 operational pediatric psychiatric beds and a partial hospitalization program from BCH-Waltham.

Following project completion, as Table 1 shows, the number of licensed pediatric mental health beds will increase from 32 to 56 configured as follows:

- 48 pediatric mental health beds (including the consolidation of 12 beds from BCH Waltham)
- 8 pediatric IDD Autism/Neurodevelopmental disability beds which is a new specialty program.

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<sup>29</sup> The Franciscan program provides onsite direct care to the Melvin King School, the Boston Public School’s complex of intensive therapeutic schools. BCH’s Neighborhood Partnerships Program partners with 11 schools in 2020-2021 to provide mental health services to 1,469 students and 1,500 hours of training and consultation to Boston school staff. These programs serve clinical conditions, including adjustment disorders, depression, other mood disorders, self-harm behaviors, anxiety, ADHD, autism and IDD, and patients with co-occurring medical and mental health needs.

<sup>30</sup>The need for access to such school-based services for children is supported by *The Behavioral Health Workforce Report*, Substance Abuse Mental Health Services Administration that reported that approximately 10% of U.S. school children in 2020 would have serious emotional disturbance/serious mental illness, and that schools represent an important resource for child mental health services and continue to be a major need nationally.

The Applicant asserts that patients with autism require significant levels of specialized provider expertise and education. This population often has extended lengths of stay (100+ days), higher use of restraints and an increased patient/staff safety risk. The 8 dedicated IDD beds in the Proposed Project will provide a more optimal and lower cost setting of care than an acute hospital admission. In addition, the Proposed Project includes an IDD partial hospitalization program. Pairing inpatient care with a partial hospitalization program is a crucial transition component of care that supports the patient’s re-entry into the home.

To further meet the needs of patients and families, the Proposed Project will add a med-psych partial hospitalization program. The program will provide pediatric patients with intensive mental health services during the day and allow patients to return home in the evening. The program is envisioned to treat conditions such as somatic symptom and related disorders, eating disorders, and chronic medical illnesses (diabetes, seizures, etc.) complicated by psychiatric conditions like depression, anxiety, or non-adherence (commonly experienced by youth ages 12-17 years). The Applicant hopes that the creation of this med-psych partial hospitalization program will help reduce the need for children’s extended stays in emergency departments, and that it will provide step-down options for children requiring an intensive level of ongoing care upon discharge. Data provided by the Applicant show a significant increase (340%) in inpatient care and boarding at BCH since 2018.<sup>31</sup>

Table 6 depicts the Applicant’s projections for Franciscans’ consolidated mental health programs but does not differentiate between the Psychiatric and the Neuro-psychiatric Unit beds. With the implementation of the Proposed project many more children will be served on a daily basis. The percentage increase in pediatric inpatients served is projected to double.<sup>32</sup>

**Table 6: Projections For Franciscans Consolidated Mental Health Programs**

Average Daily Census	FY 22	FY 28	FY 29	FY 30	FY 31
Mental Health Inpatient	18.9	35.9	43.1	50.4	50.4
CBAT*	12.6	12.6	12.6	12.6	12.6
Partial Hospitalization*	0	10.4	20.8	20.8	20.8
*Programs not licensed by the Department					

### 3. Address Post-Acute Medical Rehabilitation Services Needs

The Children’s Hospital Association estimates that children with complex medical needs will grow at a rate of 5% annually.<sup>x</sup> Recognizing that children with medical complexity (CMC) needs are a high-need population, with significant use of health and social services, the Health Policy

<sup>31</sup> See Table 10 p. 33 of the Application <https://www.mass.gov/doc/narrative-pdf-franciscan-hospital/download>

<sup>32</sup>After accounting for the number census numbers in the beds (~12) already being served and moving from Waltham.

Commission was tasked with evaluating the status of the systems serving children with complex medical needs.<sup>33</sup> Key findings of the report include:

- 4.5% of commercially insured children and 6.4% of children with MassHealth MCO/ACO coverage are children with complex medical needs.
- About half of children with complex medical needs in Massachusetts have commercial insurance, and about half are covered by MassHealth. Preliminary findings do not capture children with primary commercial and secondary MassHealth coverage.
- Children with complex medical needs who are hospitalized have nearly double the length of inpatient stay of healthier children who are hospitalized (6.5 vs. 3.6 days).
- There is a shortage of pediatric specialists who accept MassHealth; and since they require specialty and sub-specialty treatment or inpatient care, they are disproportionately admitted for inpatient hospitalization compared to children from higher income families.
- Annual commercial spending for children with complex medical needs is 18 times that of healthier children (\$30,578 vs. \$1,691), and annual MassHealth MCO/ACO spending for children with complex medical needs is 16 times that of healthier children (\$22,439 vs. \$1,435).<sup>xi</sup>

Research funded by the Patient Centered Outcomes Research Institute (“PCORI”) has also identified care coordination as a priority item.<sup>34</sup>

BCH receives approximately 36% of admissions statewide for children and adolescents with complex medical needs.<sup>35</sup> Given the high concentration of children with complex medical needs at BCH, the need for a provider of post-acute services, such as Franciscan, that can treat the most medically complex patients, including those requiring ventilator support is critical. At any given time, on average, 60% of Franciscan’s post-acute care patients are on ventilators, and approximately 75% of patients are receiving outpatient physical and rehabilitative therapy services. All of the students enrolled in Kennedy Day School have medical complexity.

BCH sends patients to Franciscan for post-acute care, including children who need rehabilitative care post-trauma, as well as medically complex children who require specific and specialized post-acute care. In FY21, BCH transferred 91 patients to Franciscan, which represented approximately 70% of Franciscan’s referral base for post-acute care. Since then, the Applicant reports that transfers have stabilized to pre-pandemic levels. In FY22, BCH transferred 55 patients to Franciscan, representing approximately 66% of Franciscan’s referral base for post-acute care. Daily, BCH has ~five medical beds filled with patients who no longer require the

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<sup>33</sup> Section 7 of Chapter 124 of the Acts of 2019

<sup>34</sup> Franciscan conducted a federally funded multi-year family engagement study funded by the PCORI which found that children with complex medical needs and their families are challenged by the complexity of the health care system as these families often rely on multiple health and social service systems and navigate across multiple sources of care which is burdensome particularly in connection with care transitions. The study noted families’ desire for general medical provider updates and help with coordination regarding appointments, medication, and urgent care. Parents expressed particular interest in medical homes and care teams’ assistance.

<sup>35</sup> See MASS. HEALTH POLICY COMM’N, *Children with Medical Complexity in the Commonwealth* (Oct. 6, 2021).

acute level of care that BCH offers, and who would be better served by a transfer to the post-acute care clinical setting at Franciscan, but no bed is available.

Annually, Franciscan accepts admissions from ~15 different referring hospitals, based on the level of care that patients require. The Applicant notes that facility, staffing and payor network limitations have slowed or stopped Franciscan from accepting some patient transfers and instead, the Applicant states *“these patients frequently need to be transferred out of Massachusetts and out of New England because Franciscan lacks the resources to develop capacity locally.”*<sup>36</sup>

Through the proposed replacement facility that is purpose-built, has private rooms and meets all current standards for rehabilitative care, and with investment in effective staffing models, the applicant asserts transfers to the right level of care for each individual child will be expedited, and that it will be able to operate 12 additional beds that are currently out of service, increasing from 48 operational beds to 60. (see table 1).<sup>37</sup> The Applicant reports the demand for its pediatric post-acute care services at Franciscan increased to a peak of 14,786 patient days in FY19. Table 7 depicts the Applicant’s projections for Franciscans’ Post-Acute Medical Rehabilitation service where the five-year growth rate is 28%.

**Table 7: Projections for Franciscans’ Post Acute Rehabilitation Service**

Average Daily Census	FY 22	FY 28	FY 29	FY 30	FY 31
Post-Acute Medical Rehabilitation	37.5	41.6	44.7	48	48

#### **4. Need to Expand Access to Dental Healthcare Including Surgical Services.**

The patient population of children with medical and mental health complexities also experiences significant need for dental services. Patients with complex medical needs have challenges in accomplishing daily activities, especially self-care activities such as dental hygiene and oral health.<sup>xii</sup> In addition, patients with Medicaid coverage are more likely to have untreated dental concerns and as Table 4 shows ~ 70% of Franciscans patients are covered by Medicaid. Poor oral health is known to negatively impact overall health.<sup>xiii</sup>

The Applicant asserts that Franciscan is a leading provider of pediatric dental surgeries treating those with extensive dental needs, developmental disabilities, medically compromising conditions, and situational anxiety. The majority of patients who receive dental surgery at Franciscan are children with medical complexity, who often require complicated dental care that cannot be performed without specialty pediatric capacity and anesthesia. For similar reasons, approximately 30% of the children receiving non-surgical dental care at Franciscan’s

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<sup>36</sup> Since these patients would not solely originate at BCH, the Applicant does not have data on the volume of transfers out of state.

<sup>37</sup> As noted earlier, the Applicant states it has not operated all of its licensed capacity (80 medical rehabilitation beds) for over a decade.

dental clinic also have medical complexity.<sup>38</sup> Average wait times for pediatric dental surgery is four to six weeks.

During the height of the COVID-19 pandemic, limitations on in-person visits led to delayed dental care and a decline in visits. Following the lifting of emergency restrictions, both BCH and Franciscan continue to experience a rebound in visits for dental care. The renovation and addition of a fourth dental ambulatory surgical operating room will provide the capacity to address the prolonged wait times for dental services primarily for patients with medical and/or mental health complexity. The Applicant provided utilization data for dental services shown in Table 8 that shows that unique patients, visits and surgeries are still feeling the impact of respiratory illnesses (including COVID and RSV) that have resulted in an increase in cancellations. Table 9 shows that with the new OR, the applicant projects an increase of 41% in surgical cases from 2023-2031.

**Table 8: Patients Receiving Dental Services**

<b>Franciscan</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY 23</b>
	<b>Count</b>	<b>Count</b>	<b>Count</b>	<b>Count</b>	<b>Count</b>	<b>Count</b>
Total Unique Dental Patients	3,392	3,265	2,469	2,537	2,285	2,712
Total Dental Visits	8,020	7,594	5,176	5,611	4,933	6,565
Surgery Cases	2,934	2,988	2,364	2,895	2,800	2,905

**Table 9: Projections of Ambulatory Surgical Cases**

<b>Projections</b>	<b>2023</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 30</b>	<b>FY 31</b>
Surgery Cases	2,905	3,174	3,635	4,096	4,096

### ***Analysis***

The Applicant has established that there is an ongoing need for children needing access to mental health care, complex post-acute medical care, and for access to dental specialists trained to care for both of the pediatric populations it serves.

Throughout the recently approved affiliation agreement, the Applicant articulated its intent to provide needed capital to improve and expand infrastructure and programming, to invest in delivery system models, and in integration to better coordinate care delivery along the continuum so as to better serve and increase access for their Patient Panel and the broader community. This Proposed Project reflects that intent and demonstrates need for a new purpose-built replacement facility that allows for the co-location of programs through the

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<sup>38</sup> Franciscan has a long-standing contractual relationship with the Boston University Henry M. Goldman School of Dental Medicine (“BUGSDM”) under which Franciscan serves as a primary training location for BUGSDM residents and fellows who provide pediatric dental services to children in Franciscan’s dental clinic and dental surgery as part of BUGSDM academic programs.

consolidation of services, the transfer and reconfiguration of beds, and the addition of new programs including an 8-bed IDD unit with an accompanying partial hospital program, and an intensive outpatient program to enable Franciscan to provide needed services more effectively to the post-acute care community. With the implementation of the Proposed Project, while the project adds only four beds to its license, it will be increasing its operational capacity from 80 to 116 beds (by 36 beds or 45%- See table 1).

According to the Applicant, staffing shortfalls have created challenges for Franciscan to optimize operations. Staff asked the Applicant for additional detail on the staffing models that it believes will improve recruitment and retention to allow beds to remain staffed. While staffing is not inherently within DoN purview, the Applicant provided additional details to explain how it will address the issue given the ongoing staffing shortages for mental health providers.<sup>39</sup> Benefits of these initiatives with co-located integrated programming includes staff support, training, cross-coverage, and flexible assignments.

As a result of information provided by the Applicant and with additional analysis, Staff finds the Applicant has met the requirements of Factor 1(a).

### **Factor 1: b) Public health value, improved health outcomes and quality of life; assurances of health equity**

In this section the Applicant must demonstrate that the Proposed Project adds measurable public health value in terms of improved health outcomes and quality of life for the Applicant's existing patient panel, while providing reasonable assurances of health equity.

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<sup>39</sup> 1) The nurse-to-patient ratios that Franciscan must maintain to ensure that timely, high-quality care is provided, is higher than other sub-acute facilities, because its mental health pediatric patients require more care than adults with similar conditions. 2) Following the Affiliation, the Applicant has made key clinical leadership commitments, including recruiting a Franciscan Children's Chief Behavioral Health Officer who also holds a leadership role within the Department of Psychiatry and Behavioral Health at BCH with the aim to "ensure" effective cross system integration among the onsite clinical services and staff at the school-based programs and the wider provider community. 3) The Applicant is evaluating the best integration models for leadership, training, and is working to develop enhanced lines of communication among clinical teams located in and out of the schools (e.g., the outpatient and inpatient settings) to support transitions back to school or to work, and to strengthen interventions at the schools to prevent youth needing a higher level of care. 4) Growing acuity and demand for mental health services has challenged the ability of the clinical care teams to provide services. 5) The Applicant hopes to alleviate some of these challenges through co-location of the programs along the continuum of care because this will enhance its ability to provide peer support, supervision and collaborative learning environments. As such it will offer enhanced professional opportunities at different levels of care, thereby improving recruitment and retention. 6) Co-location of programs will also allow for more flexible staffing, including cross coverage and deploying staff based on acuity and need. For example, if one unit has extremely high acuity, staff from another unit can be deployed to augment the team; or to help reduce stress and fatigue, staff members working in intense high-acuity environments could be moved to lower acuity programs. The Applicant states these types of flexible models have been demonstrated to improve employee retention reduce burnout. 7) Co-locating the continuum of care in one location will allow seamless "warm handoffs" and "huddles" about the best level of care for a child. Having onsite access to providers at alternative levels of care will increase clinical collaboration and decision-making and decrease clinicians' efforts and time expended to gather relevant treatment and outcome information disconnected locations.

## **Public Health Value- Health Outcomes, and Quality of Life**

The Applicant reports that the Proposed Project will build on Franciscan's expertise and the decades of collaboration between Franciscan and BCH in the treatment of children with psychiatric and complex medical needs which will lead to improved health outcomes and quality of life. The barriers that both BCH and Franciscan have experienced in achieving their joint commitment to expanding access to timely and cost-effective pediatric mental health, complex rehabilitative, and dental care will be addressed and alleviated through such measures described below.

- (i) The significant investment in existing facilities and infrastructure will improve the specialized inpatient and out-patient care provided by Franciscan while allowing Franciscan to expand its programming, thereby increasing access to state-of-the-art care for more children from health systems across the region, while enabling shorter wait times for Franciscan's dental surgery and mental health services.
- (ii) Staffing Models: the Applicant's staffing models that include improvements and expansion of professional development and training, flexible assignments, and the establishment of an integrated network of mental health providers. These are expected to improve staff satisfaction and retention and positively impact quality of patient care.
- (iii) Coordination of care across the continuum: The Applicant outlined its intent to develop a triage system with a single point of entry to provide better coordinated care in the appropriate program along the continuum that will help children and their families navigate the system. Further, with subspecialists co-located on one campus, consultations and transitions to other levels of care will improve.

## **Public Health Value- Health Equity**

The Applicant asserts the Proposed Project will provide its Patient Panel with the organizational structure and facilities to enable it to continue to promote health equity, including among the underserved; it will not restrict the accessibility to services for vulnerable and/or Medicaid-eligible individuals; and it does not discriminate based on ability to pay. As noted in Table 4, nearly 70% of Franciscan's patients are covered by Medicaid. As noted earlier, throughout the United States, Medicaid, together with the Children's Health Insurance Program, covers almost half of all children with special health care needs.<sup>xiv</sup>

Franciscan's diverse programs serve children with complex medical and mental health challenges, many with social challenges that require involvement from the Department of Children and Families, who struggle to receive services elsewhere because of the shortages of services tailored to meet their needs. The school-based mental health programs that the Applicant provides are fundamental to health equity, ensuring early access to those who do not have the ability to travel to receive services. Those and other outpatient and community-based mental health programs that Franciscan and BCH operate will be integrated and expanded to reach more children further supporting equitable access to their services.

The Applicant recognizes the importance of diversity, equity, and inclusion and is committed to expanding its efforts. It participates in national collaborations to advance health equity and close health care disparities, including the Pediatric Health Equity Collaborative and Solutions for Patient Safety.<sup>40</sup> In 2020, Franciscan established a multi-disciplinary committee to keep diversity and equity at the forefront of all efforts, which are informed by workforce surveys, focus groups, and town halls. Further, it released a “Declaration on Equity, Diversity, and Inclusivity,” establishing six goals that prioritize health equity in 2020 that include commitments to 1-an inclusive environment, 2- a diverse workforce, 3-eliminating structural racism, 4- advancing culturally effective pediatric care delivery, 5- eliminating child health disparities, and 6- developing and tracking metrics for equity, diversity, and inclusion.

The Applicant’s new Head of Diversity, Equity and Belonging leads all manager and all staff trainings on unconscious bias, bullying, harassment, and being a bystander. Further, the Applicant states the Proposed Project will provide necessary resources to improve diversity, equity, and inclusion efforts including housing, clinical programs identified in its needs assessment, and it will allocate space for academic training, staff development and community outreach to support training such as cultural competency. The Applicant stresses that given the diverse and complex pediatric population that Franciscan and BCH serve, the need for staff with commensurate levels of diversity cannot be overstated; accordingly, it is striving to develop a strong, diverse, and competent workforce of committed individuals in their local communities.

In order to foster clear and accurate communication, language interpreters are provided to families with Limited English Proficiency at no cost in more than 100 languages, including American Sign Language.<sup>41</sup> Franciscan also contracts with a third party to provide on demand, over-the-phone, and video remote interpretation services to serve patients and families in all of its departments, clinics, and programs.

The Applicant continues to develop and track health disparity metrics, particularly related to the BCH ACO. It is in the process of collecting and analyzing data regarding health disparities and access to care by race, ethnicity and language, including as it relates to population health priorities such as obesity and asthma.

## ***Analysis***

The Applicant provided several measures to track in order to assess the impact of the Proposed Project to measure the impact which are found in Appendix 1. The Applicant will track and report the measures as part of their annual reporting.

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<sup>40</sup> For a more detailed description of initiatives, see *Responses to DoN Questions* pp 9-13 <https://www.mass.gov/info-details/the-childrens-medical-center-corporationfranciscan-hospital-hospitalclinic-substantial-capital-expenditure#responses-to-don-questions->

<sup>41</sup> Which is consistent with all of the Applicant’s facilities.

The Applicant makes a compelling case of how the Proposed Project's new facility will improve its ability to treat more children in a through service expansion, co-location and consolidation which will enable it to continue to promote health equity, including among the underserved. The Applicant anticipates that enhanced timely access to its services, achieved through expansion of programming and levels of care, and better coordination of care across the continuum may lead to fewer complications and thus improved health outcomes and quality of life.

Staff has reviewed and concurs that the Proposed Project will add to public health value in terms of improved health outcomes and quality of life for both Franciscan and BCH's Patient Panels.

### **Factor 1: c) Efficiency, Continuity of Care, Coordination of Care**

The Applicant gives examples of how Proposed Project will enable Franciscan and BCH to provide a more coordinated care delivery system that is less fragmented and operates more efficiently for their patients in the following ways:

1. The Applicant reports that implementation of an integrated electronic health record (EHR) system is in progress. The benefits of EHRs have been documented in the literature but include improvements in care coordination, diagnostics and patient outcomes, patient participation, health care quality, and practice efficiencies and cost savings.<sup>xv</sup>
2. Adoption of a common EHR between BCH and Franciscan will allow providers access to clinical notes across care settings (e.g. school, inpatient, outpatient) while reducing clinician documentation burden and challenges communicating with other providers.
3. BCH and Franciscan will invest in the creation of a single point of entry triage system to help families navigate the mental health system and access the correct level of care and support services creating efficiencies for families.
4. Part of the increased focus on the school-based programs includes integration of the programs, best practice sharing, data-collection and evidence-based program enhancements, and development of unified outcome measures.
5. Colocation will improve transitions among levels of care. Now that the Affiliation is finalized, the Applicant is integrating Franciscan with BCH which will allow for greater coordination of care for patients and reduce fragmentation, thereby strengthening the continuum of care, and promoting efficiency.
6. The Applicant notes the complicated health care system for pediatric medically complex and pediatric mental health care is fragmented; once a patient is discharged from Franciscan, it is unable to track patients. Building upon BCH's experience in operating an integrated complex pediatric delivery system, the Applicant will improve this process. The Applicant is incorporating Franciscan into BCH's pediatric care network and further strengthening linkages to build a stronger, clinically integrated community-based provider network along with other community organizations to improve the health and well-being of children and families.

## **Analysis**

Staff finds that consistent with the goals of the recently approved DoN for the affiliation of the two entities, the Applicant has sufficiently described how, as a result of the Proposed Project, improvements in care coordination and integration of systems will contribute to improving efficiency and continuity, and also reduce fragmentation. These improvements will benefit patients at both entities as well as the broader community of children needing complex medical and mental health services.

### **Factor 1: d) Consultation**

The Applicant has provided evidence of consultation, both prior to and after the Filing Date, with all government agencies that have licensure, certification, or other regulatory oversight, which has been done and will not be addressed further in this report.

### **Factor 1: e) Evidence of Sound Community Engagement through the Patient Panel**

The Department's Guideline<sup>xvi</sup> for community engagement defines "community" as the Patient Panel and requires that, at minimum, the Applicant must "consult" with groups representative of the Applicant's Patient Panel. Regulations state that efforts in such consultation should consist of engaging "community coalitions statistically representative of the Patient Panel."<sup>xvii</sup>

The Applicant states that consistent with its mission, including providing high quality healthcare and enhancing the health and well-being of the children and families in the local community,<sup>42</sup> the Proposed Project is the result of the Applicant's and Franciscan's continuous efforts to address the ongoing pediatric mental health care crisis and access to services for medically complex children.

To inform and consult the community about the Proposed Project, the Applicant and Franciscan have sought to engage the patient panels, family members, community members, and local stakeholders that may be impacted by the Proposed Project. Community engagement occurred through various initiatives including:

- Outreach to its BCH's Family Advisory Council<sup>43</sup> ("FAC") and to Franciscan's Patient Family Advisory Council<sup>44</sup> ("PFAC") where each held a meeting to discuss the need for and programming that would/could result from the Proposed Project; feedback was positive for both meetings.<sup>45</sup>

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<sup>42</sup> It also includes- conducting research and discovery, and educating the next generation of health care providers.

<sup>43</sup> The BCH FAC was formed to provide a forum for creating partnerships among patients, families and staff dedicated to ensuring the delivery of high quality, safe and positive health care experiences at BCH.

<sup>44</sup> The Franciscan PFAC was formed to serve as a formal advisory group of patients, caregivers, and staff, with direct input and influence on policies, programs, and practices impacting children and families.

<sup>45</sup> BCH FAC meeting was held June 29, 2023; Franciscan's PFAC meeting was held June 6, 2023 PFAC.

- Ongoing discussions with key community stakeholders, patient advocates, and thought leaders, including but not limited to:
  - Children’s Hospital Association;
  - Children’s Mental Health Campaign;
  - Federation for Children with Special Health Care Needs/Family Voices;
  - Parent/Professional Advocacy League;
  - Massachusetts Association of Behavioral Health Systems;
  - Health Care for All;
  - Health Law Advocates;
  - The Massachusetts Society for the Prevention of Cruelty to Children;
  - Allston-Brighton Health Collaborative;
  - Allston-Brighton Substance Use Task Force;
  - Massachusetts Hospital Association;
  - Massachusetts Association for Behavioral Health Systems.
- General outreach to numerous community, professional, and civic organizations.<sup>46</sup>
- Consultation with senior physician leaders, state and local agencies and officials, other providers and provider organizations, community groups, specialty disease and advocacy groups, and patient groups.

The Applicant asserts that following DoN approval, it plans to continue and expand outreach efforts regarding the Proposed Project to other neighborhoods in Boston and Brighton, as well as throughout the Commonwealth.

### ***Analysis***

Staff reviewed the information on the Applicant’s community engagement and finds that it has met the required community engagement standard of Consult in the planning phase of the Proposed Project.

## **Factor 1: f) Competition on Price, Total Medical Expenses (TME), Costs and Other Measures of Health Care Spending**

The Applicant asserts the Proposed Project will compete on the basis of price, total medical expenses ("TME"), provider costs, and other recognized measures of health care spending, and will meaningfully contribute to Massachusetts' goals for cost containment in several ways.

1. The Proposed Project will enable the Applicant to fully utilize existing licensed *but not operational capacity* and add needed capacity to the mental health care system across the health care continuum in pursuit of reducing the number of children who present in a state of mental health crisis in emergency rooms and spend days waiting for an appropriate placement, which expends resources without delivering substantial therapeutic care.

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<sup>46</sup> See DoN narrative page 52.

2. There are positive financial and clinical impacts associated with providing timely access to care and moving patients from the resource-intensive acute care settings to rehabilitative and mental health settings. As noted herein, the Applicant reports that BCH has ~5 medical rehabilitation pediatric patients on a given day who do not require acute care. The new facility will improve patient flow and allow for operational efficiencies throughout the health care continuum. The provision of timely care in an appropriate setting translates to better patient clinical quality outcomes and reduced costs.
3. The aforementioned fragmented care in the pediatric health care system can lead to inefficiencies and delays in care, including increased ED boarding which is more costly care. Through the integration of mental health services from BCH Waltham, and through a single-entry triage system and common medical record, and staffing models described herein, services will be better coordinated.
4. In the short-term, the Applicant expects that total medical spending on pediatric mental health care will increase as a result of care being provided to more children who have otherwise been unable to access the care they need. However, research has found that investment in child well-being may yield long-term returns for the well-being of children, and in turn, generate a longitudinal societal benefit.<sup>xviii</sup>
5. Studies have found that children with comorbid mental and physical health conditions, like those seen by BCH and Franciscan, have significantly higher total health care costs compared with children not having mental health conditions.<sup>xix</sup> Yet the Massachusetts Medicaid Policy Institute has pointed out that as health care payors, providers and policymakers move towards value-based payment models, opportunities for short-term, direct health care cost savings among pediatric populations are limited.<sup>47</sup> As the only statewide ACO dedicated to serving children and adolescents, the BCH ACO serves approximately 20% of all pediatric MassHealth ACO enrollees (111,328 members) , the highest percentage among the 17 MassHealth ACOs. In general, the BCH ACO assumes 75% of the financial risk for the plan. Franciscan provides care to pediatric ACO patients who may be transferred for specialized post-acute care.

## ***Analysis***

The Proposed Project has the potential over the long-term to reduce total medical expenses through enhanced care coordination and expanding upstream programming such as partial hospitalization programs and school-based programming, thereby enabling the provision of timely care at the appropriate level, while maximizing efficiencies through centralized co-located services. These efforts can help prevent costly waiting periods and readmissions, while maintaining the parties' high public payer-mix. The parties utilize a collaborative triage approach with families and providers to ensure children receive care in the appropriate setting that will contribute to improvements in patient outcomes and overall cost efficiency.

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<sup>47</sup> It is the only statewide ACO dedicated to serving children and adolescents. [As of June 30, 2020, BCH ACO membership had grown to 111,328 members.]

## FACTOR 1 Summary Analysis

Staff finds that the Proposed Project will improve patient access to mental health, rehabilitative care and dental surgery in a lower-cost setting. Through co-location and offering new intermediate and partial-hospitalization programs, and new staffing models the Applicant can improve patient outcomes in a purpose-build pediatric facility with private rooms, which can result in an overall reduction in healthcare costs. Staff finds that the over the long-term Proposed Project will likely provide much needed mental health and complex medical services to children in the Commonwealth in a more efficient coordinated manner with the intention of providing services before inpatient admissions are required.

As a result of the information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project meets Factors 1(a-f).

## Factor 2: Cost Containment, Improved Public Health Outcomes and Delivery System Transformation

### Cost Containment

The Applicant states the Proposed Project is expected to facilitate expanded access to much needed pediatric mental health services, rehabilitation services, and dental services while taking a long-term view of promoting the Commonwealth's goals for cost containment, improved health outcomes, and delivery system transformation. As noted in Factor 1, the funding for pediatric mental health care and pediatric sub-acute care generally has been inadequate to encourage providers to invest in increased programming; accordingly, access to treatment is limited.

Through the Proposed Project, the Applicant asserts that by providing broader access to comprehensive pediatric mental health services, rehabilitation services, and dental services, the short-term crisis noted in the Commonwealth's *Roadmap for Behavioral Health Reform* and the U.S. Surgeon General's advisory on youth mental health, may be alleviated.

The Applicant adds The Proposed Project will also serve as part of a long-term strategy of the parties to improve the physical and mental health of children for decades to come. Studies show that if not properly addressed, childhood mental health conditions often persist into adulthood and may result in negative social outcomes and increased financial burdens on social support and disability programs.<sup>xx</sup> By providing timely and appropriate access to care to complex medical populations, the parties reduce the need for other more intensive and expensive downstream care that may result when clinically appropriate care is delayed, thereby supporting the Commonwealth's cost containment goals.

The Applicant and Franciscan share the long-term view of the Massachusetts Medicaid Policy Institute which found that value-based payment models that incentivize short-term savings

may not optimally serve most pediatric patients, and that a longer-term view of investment in the pediatric population is more appropriate. They provide their patients with much-needed care to improve their life-long health and well-being.

The Applicant states its dedication of significant resources are necessary to transform and reimagine the delivery of pediatric care for children with mental health and complex post-acute medical and rehabilitation needs. To achieve this vision, the Proposed Project will expand access to existing and new services for the pediatric population and, with a long-term view, will meaningfully contribute to the Commonwealth's cost containment goals.

### **Public Health Outcomes**

The Proposed Project will allow Franciscan and BCH to share collective resources and expertise and position the parties as a regional hub for pediatric rehabilitative and mental health care, thereby preserving and expanding its mission.

With the new facility, 12 additional medical and rehabilitative beds that are currently licensed but not operational will come into service on the Franciscan campus and will meet the needs of the projected 5% annual growth in the population of children with complex medical needs.

As with cost containment, the Applicant takes a long-term view of public health outcomes, around its provision of specialized children's services, that through timely intervention and ongoing supportive care, such services can mitigate the impact of the conditions and help children become the healthiest adults they can be.

The Proposed Project includes contemporary space for staff training which will allow the parties to strengthen their workforce, providing enhanced training, support, and administrative resources.

### **Delivery System Transformation**

The Proposed Project will also expand access to children referred from all the acute care and community-based institutions across the Commonwealth. Other Massachusetts providers will continue to be able to rely on Franciscan for its unique critical services as part of the larger care continuum for children with significant mental health needs or medical complexity requiring post-acute care.

The Applicant and Franciscan have an established community health mission and have worked to establish linkages with community partners and social services organizations, and also have developed programs targeted at addressing health care social determinants of health. For example, as described in Factor 1, both Franciscan and BCH operate mental health programs in area school systems, bringing much needed care to the community to treat children who might otherwise not have access. Through the BCH ACO, BCH supports initiatives aimed at promoting

health equity by reducing social barriers to optimal health and well-being, including initiatives in population management, mental health, and asthma management, response to social needs, complex care, and regional support.

Additionally, the Applicant is a member of the learning health collaborative sponsored by Children's Hospital Association, *Children's Hospital Mental Health Leadership Collaborative*<sup>48</sup> which brings together the leaders of child mental health departments/divisions embedded within free standing children's hospitals to function as a clearing house for innovative, effective, and transformative family and multi-generational efforts to address the rising child mental health crisis; through its efforts, it will improve access to high quality mental health care for children, families, and communities; enhance the capacity of all health care providers to safely care for children with mental illness; and engage communities in systems of change directed at reducing inequities and restoring hope in the future of every child. The continued learnings from this collaborative will inform tactics deployed by the Applicant to enhance the effectiveness of the clinical program outlined in the Proposed Project.

Studies have shown that when not addressed fully, childhood mental health conditions often persist into adulthood and may result in negative social outcomes<sup>49</sup>, and also increased financial burdens on social support and disability programs.<sup>xxi</sup> Additionally, the provision of timely and appropriate care to complex medical populations reduces the need for more intensive and expensive downstream care that may result if clinically appropriate care that is delayed. As such, the Proposed Project's initiatives will support the Commonwealth's cost containment goals.

## ***Analysis***

Through the Proposed Capital expenditure of and the hiring of a key leadership role for the Chief Behavioral Health Officer, and additional programming described in Factor 1(a), the Applicant has begun to implement the vision for a comprehensive approach to pediatric mental health that fosters linkages and alignment with other providers and critical social service agencies, primary care providers, public and private schools, civic and religious leaders, and other community organizations who seek to improve the health and well-being of children and families.

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<sup>48</sup> This collaborative aims to: (1) develop, implement, and evaluate sustainable models of care that encompass the full range of services, from health promotion, and early intervention, to the full range of treatment intensities that are each required to sustain child well-being across diverse settings; (2) engage the community to build a diverse workforce capable of addressing the needs of all children from early intervention/prevention efforts to care for those children experiencing the most severe and impairing mental health needs; (3) drive transformative innovation across the mental health care continuum that is data informed and culturally responsive; and (4) assist in the accrual, stewardship, and outcomes-evaluation of major child mental health investments by our respective institutions.

<sup>49</sup> such as unemployment, substance abuse, and criminal behaviors, as well as increased burden on social support and disability programs

Central to the goal of Delivery System Transformation is the integration of social services and community-based expertise. The Applicant described how both parties engage the community in an interdisciplinary approach to improve the provision of care in the most appropriate setting that also aligns with patients' and families' goals while trying to better address the identified needs around SDOH.

As a result of information provided, and additional analysis, staff finds that the Proposed Project has sufficiently met the requirements of Factor 2.

### **Factor 3: Relevant Licensure/Oversight Compliance**

The Applicant has provided evidence of compliance and good standing with federal, state, and local laws and regulations and this Factor will not be addressed further in this report. As a result of information provided by the Applicant, staff finds the Applicant has reasonably met the standards of Factor 3.

### **Factor 4: Demonstration of Sufficient Funds Independent CPA Analysis**

Under factor 4, the Applicant must demonstrate that it has sufficient funds available for capital and operating costs necessary to support the Proposed Project without negative effects or consequences to the existing patient panel. Documentation sufficient to make such finding must be supported by an analysis by an independent CPA.

To arrive at its conclusions, the scope of the CPA report is limited to an analysis of the eleven-year Projections for the fiscal years ending September 30, 2023, through 2033, prepared by Management, and the supporting documentation as well as third party industry data sources.<sup>50</sup>

The CPA calculated and evaluated standard key financial metrics, reflecting profitability, liquidity, and solvency of the projections with the actual performance of CHCC and Franciscan to assess the feasibility and reasonableness of the Projections.<sup>51</sup> To assess the reasonableness

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<sup>50</sup> including the following: 1. Projected Financial Model for CMCC, including Franciscan's projections for the periods ending September 30, 2023, through September 30, 2033; 2. Audited Financial Statements for Boston Children's Hospital and Subsidiaries for Fiscal Years Ended September 30, 2019 through 2022; 3. Audited Financial Statements for Franciscan Hospital for Children, Inc and Affiliate for Fiscal Years Ended September 30, 2020 through 2021; 4. Unaudited Comparative Statement of Revenues and Expenses for Children's Medical Center Corporation for the period ended June 30, 2023; 5. Project RISE - Management Action Plan as of July 24, 2023; 6. Capital Authorization: Franciscan Children's Hospital Presentation to the Board of Trustees on June 6, 2023; 7. Drivers of Financial Performance (FY 2023 – YTD April) Presentation to the Finance Committee on July 26, 2023; 8. Historical Budget Tracking for CMCC for the periods ending September 30, 2005 through September 30, 2019; 9. Definitive Healthcare data; 10. Data obtained from Integra Information, A Division of Microbilt Corporation as of August 4, 2023; 11. IBISWorld Industry Report 62211: Hospitals in the US, dated January 2023.

<sup>51</sup> The Key Metrics fall into three primary categories: profitability, liquidity, and solvency. Profitability metrics are used to assist in the evaluation of management performance in how efficiently resources are utilized. Liquidity metrics, including common ratios such as "days of available cash and investments on hand", measure the quality

of the projections, the key metrics were compared to the market information from Integra Reports (“Integra”), IBISWorld, and Definitive Healthcare as well as the Applicant’s historical performance.

## **1. Revenue**

Revenue includes net patient service revenue (“NPSR”), research grants and contracts, recovery of indirect costs on grants and contracts, other operating revenue, unrestricted contributions net of fundraising expenses, and net assets released from restriction used for operations.

Approximately 82.0 percent of revenue is derived from net patient service revenue. With the exception of 12.4 percent growth in FY 2023, NPSR is projected to grow between 3.3 percent and 7.4 percent annually over the projection period. These projections are in line with historical growth in NPSR of 7.8 percent and 15.0 percent for FY 2021 and FY 2022. The eleven-year compounded annual growth rate (“CAGR”) for total operating revenue in the Projections of 4.6 percent falls below BCH’s revenue growth rates in FY 2021 of 10.4 percent and FY 2022 of 8.8 percent. Based upon the foregoing, The CPA found the revenue growth projected by Management is based on reasonable assumptions and is feasible for the combined operations of BCH and Franciscan.

## **2. Operating Expenses**

The operating expenses include salaries and benefits (60.0%), supplies and other expenses (23.3%), direct research expenses of grants, health safety net assessment, depreciation and amortization, costs related to asset dispositions, and interest and net interest rate swap cash flows. Salaries and benefits account for approximately 60.0 percent of total operating expenses and supplies and other expenses account for approximately 23.0 percent of total operating expenses throughout the projection period.

Salaries and benefits were projected to increase between 12.6 percent (FY2023) and then between 3.3 percent and 8.2 percent for FY 2024 through FY 2033. Approximately 60.0 percent of the total salaries and benefits relate to the Hospital whose growth was based on growth in full time equivalents (“FTEs”) due to the addition of beds and change in wages. Supplies were projected to increase annually between 2.5 percent and 10.1 percent for FY 2023 through FY 2033.

Based upon the foregoing, it is our opinion that the operating expenses projected by Management reflects reasonable assumptions and are feasible for the Applicant.

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and adequacy of assets to meet current obligations as they come due. Solvency metrics measure the company’s ability to take on and service debt obligations. Additionally, certain metrics can be applicable to multiple categories.

### **3. Capital Expenditures and Proposed Project Funding**

The Applicant reviewed the capital costs of \$481.4 million (MCE) along with the proposed financing of the Proposed Project. The Proposed Project will be funded by BCH's philanthropic effort (28%), BCH's unrestricted endowment (66%) and Franciscan's philanthropic effort (6 %). There is an understanding, the construction for the Proposed Project will not commence until 50 percent of the philanthropic pledges are collected by BCH and Franciscan. The funds required for the Proposed Project are approximately 7.0 percent of the total unrestricted endowment. Based on the noted factors, there appears to be sufficient room to accommodate the financing for the Proposed Project within the Applicant's available capital without the need for debt financing.

### **Conclusions on Feasibility**

The CPA analyzed multiple sources of information pertaining to the Proposed Project. Within the projected financial information, the Projections exhibit a cumulative operating EBIDA surplus of approximately 9.0 percent of cumulative projected total revenue for the eleven years from FY 2023 through FY 2033. Based upon its review, it determined the anticipated EBIDA surplus is a reasonable expectation and is based upon feasible financial assumptions and therefore it concluded that the Projections are reasonable and feasible, and not likely to have a negative impact on the patient panel or result in a liquidation of assets of BCH.

### ***Factor 4 Analysis***

Staff is satisfied with the CPA's analysis of the Proposed Project's projections. As a result of information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project has met Factor 4.

### **Factor 5: Assessment of the Proposed Project's Relative Merit**

Through its multi-year planning process, the Applicant considered a number of alternative approaches to meeting the patient panel needs before its Board of Directors selected the Proposed Project. Franciscan conducted a detailed evaluation of two alternatives (summarized in Table 11) and rejected both for the following reasons. Alternative #1 evaluated and rejected a seven-story addition to the Facility's campus, at a cost significantly greater than the proposed project, \$680 million. Alternative #2, evaluated and rejected renovation of the existing buildings; this was deemed infeasible given both the age of the buildings (average age of the plant for the campus is 19.5 years with several buildings well over that age) and the necessity to close critical services for a prolonged timeframe to enable the renovation. Relative to the Proposed Project, the alternatives were less operationally efficient, more costly, or infeasible in light of local zoning or other restrictions leading to significant challenges gaining local approvals.

**Table 11: Alternatives Considered to the Proposed Project**

	<b>Proposed Project</b>	<b>Alternative #1</b>	<b>Alternative #2</b>
<b>Description</b>	Construction of a four-story building: 278,000 GSF	Seven-story building Addition	Renovation of existing facility
<b>Quality</b>	Comparable	Comparable	Inferior and Unable to Meet Demand of Growing Population
<b>Efficiency</b>	Most operationally efficient	Less Operationally Efficient Design (and significant challenges expected in obtaining local approvals)	Deemed infeasible due to age of facilities and shutdown of services for long period of time)
<b>Costs</b>	Lowest Capital Cost and Most Operationally Efficient	Higher Capital Cost approximately \$680 million)	Higher Capital Cost and Not Operationally Feasible

The Applicant notes that the Proposed Project's design is the result of a robust institutional master plan under review by the Boston Planning and Development Agency and was informed by input from community members, patients and family members, and staff that may be impacted by or have an interest in the Proposed Project. This design maximizes use of Franciscan's existing square footage to address demand constraints and allows for future expansion of the campus if warranted. The Applicant asserts the expanded access will positively impact patient flow and efficiency throughout for this patient panel who are at times being treated in more expensive acute settings, particularly in emergency departments and intensive care units. Overall, these improvements will result in enhancements in care delivery, health outcomes, and quality of life for Franciscan's vulnerable patient panel, detailed in Factor F1(b).

### ***Analysis***

Staff finds that the Applicant has appropriately considered the quality, efficiency, and capital and operating costs of the Proposed Project and concurs that the Proposed Project is the most feasible alternative. As a result of information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project has met Factor 5.

## **Factor 6: Fulfillment of DPH Community-based Health Initiatives Guideline**

**Summary, relevant background and context for this application:** For this project, the Applicant submitted Franciscan's 2021 Community Health Needs Assessment (CHNA), Community Engagement Self-Assessment and Community Engagement Plan, and CHI

Narrative. Franciscan and Boston Children’s Hospital (BCH) will work in collaboration with to implement the local CHI project.

**Franciscan’s 2021 CHNA** assessed the Allston and Brighton neighborhoods of Boston, with a focus on youth and children. Using the social determinants of health and health equity frameworks, the CHNA was developed through primary and secondary data collection activities including quantitative data analysis, and 14 key informant interviews with community leaders and parents. Focusing specifically on pediatric health needs, the Applicant prioritized the assessment and engagement efforts of children and families living in the Allston/Brighton community.

The CHNA identified priority areas and described key findings and themes from the service area and participating communities. Community needs included affordable housing, transportation, employment, food security, substance use supports, and access to mental and oral health services for children and families—particularly for low-income residents. Family supports and youth programming (e.g., afterschool and job readiness) were also identified as focus areas. The definition of “family supports” varied among residents and included factors such as system navigation and increased community engagement from health system(s) with community organizations—specifically in communities of color and immigrant communities.

There are, however, differences in alignment between the Applicant’s prioritization of needs identified in the 2021 CHNA and CHI principles. If the CHNA is used as a guide for choosing CHI strategies, the Applicant will need to revisit key findings from the 2021 CHNA to ensure the CHI project goals are in line with CHI principles, more specifically the upstream health priority areas of housing, employment, education, social and built environment and violence and trauma. DPH will support the Applicant in this work to root CHI investments in priority areas and identify needs at the root cause level to support sustainable systems-level solutions.

**The Community Engagement Plan and Self-Assessment** provided a summary of community engagement processes and socio-demographic information, data and highlights related to topics and themes of community needs. Through data analysis and key informant interviews, the Applicant and participating community residents identified the key focus areas also highlighted in the 2021 CHNA.

**Stakeholder Assessments** were not required for this application because a CHI Advisory Board has not been established for this CHI project. Upon Notice of Approval, Franciscan will collaborate with Boston Children’s Hospital Office of Community Health to establish a CHI Advisory Board. The individuals who make up the Board must reflect the sectors outlined in the CHNA/CHIP Self-Assessment Form.

Within 12 months of the CHI Advisory Board’s first meeting, the Applicant will ensure the Board members complete stakeholder assessment to provide DPH with individuals’ engagement levels

(e.g., their personal participation and role) and their analysis of how the Applicant is engaging the community in the CHI implementation process.

**The CHI Narrative** provided an overview of the CHI funds breakdown and processes, as well as advisory committee establishment plans and an explanation of administrative monies. The Applicant plans to engage a local consultant to evaluate the CHI implementation and community engagement process. Franciscan requests to distribute the local CHI funds over an 8-year period with the goal of evaluating the CHI project over this time.

The Applicant plans to utilize administrative funds to support ongoing community engagement throughout the CHI funding period. The proposed timeline and use of administrative and evaluation funds are appropriate and in line with CHI planning guidelines.

***Summary Analysis:***

As a result of information provided by the Applicant and additional analysis, staff finds that with the conditions outlined below, and with their ongoing commitment to meaningful community engagement and proposed timeline, the Applicant has demonstrated that the Proposed Project has met Factor 6.

## **Ten Tax-Payer and Public Comments on the Application**

Any person, and any Ten Taxpayer group (TTG), may provide written or oral comment at any time during the first 30 days following the Filing Date of an Application, or during the first ten days after a public hearing.

Three TTGs registered regarding the Proposed Project.<sup>52</sup>

The Department held a virtual public hearing on November 30, 2023, concerning the Proposed Project. Sixteen people, including the Applicant and two elected officials, the TTGs and a few family members of patients provided oral comments during the hearing. All of the oral comments expressed the need for and benefits of the Proposed Project. While there was overall support for the project, many expressed the need for ongoing community engagement and active involvement of the Allston-Brighton community in the decision-making process regarding investment of the CHI funds and strongly advocated for ensuring their investment in the Allston-Brighton community. The requests emphasized the importance of allocating the invested funds in areas such as housing and substance abuse treatment centers, aiming to benefit the Allston-Brighton community.<sup>53</sup>

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<sup>52</sup> Registration information for each TTG is available on the DoN website. <https://www.mass.gov/info-details/the-childrens-medical-center-corporationfranciscan-hospital-hospitalclinic-substantial-capital-expenditure#ten-taxpayer-groups->

<sup>53</sup> The transcript of the public hearing is available online on the DoN website. <https://www.mass.gov/info-details/the-childrens-medical-center-corporationfranciscan-hospital-hospitalclinic-substantial-capital-expenditure#public-hearing->

## Analysis

Staff finds that the comments provided were consistent with needs expressed by the Applicant and its assertions that the project would improve upon community engagement, delivery of services across the care-continuum, and staff retention through improved training development more flexibility in assignments, thereby improving upon access, coordination of care and reduction of disparities in service delivery and as addressed in discussions of Factors 1 and 2.

## Findings and Recommendations

Based upon a review of the materials submitted, the Department finds that the Applicant has met each DoN factor and recommends approval of this Application for Determination of Need.

In addition to the measures provided in Appendix 1, commencing with the approval of this DoN, and continuing for a period of five years after the Proposed Project is complete, the Holder shall provide the following information as part of the annual report required by 105 CMR 100.310(A)(12):

- a. The number of patients who transfer from all referring facilities to Franciscan or to other facilities, by facility, service and by payor mix, by quarter.
- b. The number of patients who transfer from Franciscan to BCH or to other facilities by facility, service and by payor mix, by quarter.
- c. The number and percent of patients clinically eligible to transfer from BCH to Franciscan who do not transfer to Franciscan for lack of capacity with average wait times, by quarter.
- d. The Applicant will report on the Applicant's progress and findings regarding the Applicant's stated vision at both Franciscan and BCH: *The Applicant envisions establishing an integrated network of mental health service providers, supporting workforce development, improving staffing ability for mental health services, and expanding mental health research and anticipates that these efforts will result in improved outcomes.*

## Conditions

1. Of the total required CHI contribution of \$24,068,550.00
  - a. \$5,896,794.75 will be directed to the CHI Statewide Initiative
  - b. \$17,690,384.25 will be dedicated to local approaches to the DoN Health Priorities
  - c. \$481,371.00 will be designated as the administrative allowance
2. Within 12 months of the CHI Advisory Board's first meeting, the Applicant will ensure the Board members complete stakeholder assessment to provide DPH.

3. To comply with the Holder's obligation to contribute to the Statewide CHI Initiative, the Holder must submit a check for \$5,896,794.75 to Health Resources in Action (the fiscal agent for the CHI Statewide Initiative).
  - a. The Holder must submit the funds to HRiA within 30 days from the date of the Notice of Approval.
  - b. The Holder must promptly notify DPH (CHI contact staff) when the payment has been made.

Payment should be sent to:  
 Health Resources in Action, Inc. (HRiA)  
 2 Boylston Street, 4th Floor  
 Boston, MA 02116

## Appendix 1

The Holder shall provide, in its annual report to the Department the following outcome measures. These metrics will become part of the annual reporting on the approved DoN, required pursuant to 105 CMR 100.310(A)(12).

To assess the impact of the Proposed Project, annually the Applicant will evaluate and report the following measures by quarter:

Measure	Current Baseline	
	BCH	Franciscan
1. The daily average of staffed beds for mental health services at BCH and Franciscan		
2. The daily average of staffed beds for post-acute rehabilitation services at Franciscan.		
3. The daily average of emergency department admissions at BCH.		
4. The number of rehabilitation/post-acute patients transferred from BCH to Franciscan.		
5. The number of children who obtain dental services at BCH and Franciscan.		

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- <sup>i</sup> See MASS. EXEC. OFFICE OF HEALTH AND HUMAN SRVCS., *Roadmap for Behavioral Health Reform: Ensuring the right treatment when and where people need it* (Feb. 2021), available at <https://www.mass.gov/doc/stakeholder-presentation-on-the-roadmap-for-behavioral-health-reform/download> hereinafter, the “Roadmap.”
- <sup>ii</sup> See Beavais, B, Richter, J., Forest, S, Palmer, E, Spear, B, Turner, R. *A reason to renovate: The association between hospital age of plan and value based purchasing performance*. Health Care Revenue Management, (Jan/Mar 2021) available at [A reason to renovate: The association between hospital age of plant and value-based purchasing performance - PubMed \(nih.gov\)](https://pubmed.ncbi.nlm.nih.gov/35484841/).
- <sup>iii</sup> See Karen Dineen Wagner, MD, PhD, *New Findings About Children 's Mental Health During COVID-19*, PSYCHIATRIC TIMES (October 7, 2020), available at <https://www.luriechildrens.org/en/blog/childrens-mental-health-pandemic-statistics>
- <sup>iv</sup> See Leeb RT, Bitsko RH, Radhakrishnan L, Martinez P, Njai R, Holland KM, *Mental Health- Related Emergency Department Visits Among Children Aged < 18 Years During the COVID-19 Pandemic - United States, January 1-October 17, 2020*, MMWR MORB. MORTAL WKLY. REP. (2020), 69:1675-1680, available at <http://dx.doi.org/10.15585/mmwr.mm6945a3>.
- <sup>v</sup> See MASS. DEP’T. OF PUB. HEALTH, BUREAU OF FAM. HEALTH & NUTRITION, *FY21 Application and FY2019 Report for the Maternal and Child Health Services Block Grant Program* (August 21, 2020), available at <https://mchb.tvisdata.hrsa.gov/Admin/FileUpload/DownloadStateUploadedPdf?filetype=PrintVersion&state=MA&year=2021>.
- <sup>vi</sup> See <https://www.mass.gov/doc/narrative-pdf-the-childrens-medical-center-corporation-change-in-service/download>
- <sup>vii</sup> <https://www.mass.gov/info-details/the-childrens-medical-center-corporation-health-care-conservation-project-boston-childrens-hospital>
- <sup>viii</sup> See Franciscan Children’s 2021 Community Health Needs Assessment (July 2021), available at <https://franciscanchildrens.org/wp-content/uploads/2021/07/Franciscan-Childrens-CHNA-Full-Report.pdf>.
- <sup>ix</sup> See Boston Children’s Hospital 2019 Community Health Needs Assessment Final Report, available at <https://www.childrenshospital.org/sites/default/files/2022-04/community-health-chna-final-report-09302020.pdf>.
- <sup>x</sup> CHILDREN’S HOSP. ASS’N., *Optimizing Health Care for Children with Medical Complexity*, (October 15, 2013) available at [https://www.childrenshospitals.org/-/media/Files/CHA/Main/Issues\\_and\\_Advocacy/Key\\_Issues/Children\\_With\\_Medical\\_Complexity/Issue\\_Briefs\\_and\\_Reports/OptimizingHealthCareReport\\_10152013.pdf](https://www.childrenshospitals.org/-/media/Files/CHA/Main/Issues_and_Advocacy/Key_Issues/Children_With_Medical_Complexity/Issue_Briefs_and_Reports/OptimizingHealthCareReport_10152013.pdf)
- <sup>xi</sup> MASS. HEALTH POLICY COMM’N, *Children with Medical Complexity in the Commonwealth* (Oct. 6, 2021).
- <sup>xii</sup> See NAT’L INST. OF DENTAL & CRANIOFACIAL RESEARCH, *Developmental Disabilities & Oral Health*, available at <https://www.nidcr.nih.gov/health-info/developmental-disabilities>.
- <sup>xiii</sup> See MASS. HEALTH DRISP, *Oral Health Integration for MassHealth ACOs*, available at <https://www.ma-dsrip-ta.com/wp-content/uploads/2020/09/Oral-Health-FAQ-Factsheet.pdf>.
- <sup>xiv</sup> See Elizabeth Williams and MaryBeth Musumeci, *Children with special health care needs: Coverage, affordability, and HCBS Access*, KFF (October 4, 2021), available at <https://www.kff.org/medicaid/issue-brief/children-with-special-health-care-needs-coverage-affordability-and-hcbs-access/>.
- <sup>xv</sup> <https://www.healthit.gov/topic/health-it-and-health-information-exchange-basics/benefits-ehrs>
- <sup>xvi</sup> Community Engagement Standards for Community Health Planning Guideline. <https://www.mass.gov/doc/community-engagement-guidelines-for-community-health-planning-pdf/download>.
- <sup>xvii</sup> DoN Regulation 100.210 (A)(1)(e). at <https://www.mass.gov/files/documents/2018/12/31/jud-lib-105cmr100.pdf>.
- <sup>xviii</sup> See Brykman K, Houston R, Bailey M, *Value-Based Payment to Support Children’s Health and Wellness* (September 2021), available at [https://www.bluecrossmafoundation.org/sites/g/files/csphws2101/files/2021-09/Value-Based%20Pmt Childrens-Health ExSum FINAL.pdf](https://www.bluecrossmafoundation.org/sites/g/files/csphws2101/files/2021-09/Value-Based%20Pmt%20Childrens-Health%20ExSum%20FINAL.pdf).
- <sup>xix</sup> See Suryavanshi MS, Yang Y, *Clinical and Economic Burden of Mental Disorders Among Children With Chronic Physical Conditions*, United States, 2008–2013. [Erratum appears in PREV. CHRONIC DIS. 2016;13. [http://www.cdc.gov/pcd/issues/2016/15\\_0535e.htm](http://www.cdc.gov/pcd/issues/2016/15_0535e.htm).] PREV. CHRONIC DIS. (2016), 13:150535 available at <http://dx.doi.org/10.5888/pcd13.150535>.
- <sup>xx</sup> See Suryavanshi MS, Yang Y, *Clinical and Economic Burden of Mental Disorders Among Children With Chronic Physical Conditions*.
- <sup>xxi</sup> Id.