



Massachusetts Department of Public Health

Determination of Need

Application Form

Version: 11-8-17

Application Type:	Hospital/Clinic Substantial Capital Expenditure	Application Date:	07/26/2018 2:41 pm
Applicant Name:	Tenet Healthcare Corporation		
Mailing Address:	1999 Bryan Street, Suite 900		
City:		State:	Texas
		Zip Code:	75201
Contact Person:	Andrew Levine, Esq.	Title:	Attorney, Barrett & Singal, P.C.
Mailing Address:	One Beacon Street, Suite 1320		
City:	Boston	State:	Massachusetts
		Zip Code:	02108
Phone:	6175986700	Ext:	
E-mail:	alevine@barrettsingal.com		

Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name:	Saint Vincent Hospital		
Facility Address:	123 Summer Street		
City:	Worcester	State:	Massachusetts
		Zip Code:	01608
Facility type:	Hospital	CMS Number:	220176
Add additional Facility		Delete this Facility	

1. About the Applicant

1.1 Type of organization (of the Applicant):	for profit
1.2 Applicant's Business Type:	<input checked="" type="radio"/> Corporation <input type="radio"/> Limited Partnership <input type="radio"/> Partnership <input type="radio"/> Trust <input type="radio"/> LLC <input type="radio"/> Other
1.3 What is the acronym used by the Applicant's Organization?	
1.4 Is Applicant a registered provider organization as the term is used in the HPC/CHIA RPO program?	<input checked="" type="radio"/> Yes <input type="radio"/> No
1.5 Is Applicant or any affiliated entity an HPC-certified ACO?	<input type="radio"/> Yes <input checked="" type="radio"/> No
1.6 Is Applicant or any affiliate thereof subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00 (filing of Notice of Material Change to the Health Policy Commission)?	<input type="radio"/> Yes <input checked="" type="radio"/> No
1.7 Does the Proposed Project also require the filing of a MCN with the HPC?	<input type="radio"/> Yes <input checked="" type="radio"/> No

- 1.8 Has the Applicant or any subsidiary thereof been notified pursuant to M.G.L. c. 12C, § 16 that it is exceeding the health care cost growth benchmark established under M.G.L. c. 6D, § 9 and is thus, pursuant to M.G.L. c. 6D, §10 required to file a performance improvement plan with CHIA? ☐ Yes ☒ No

1.9 Complete the Affiliated Parties Form

2. Project Description

2.1 Provide a brief description of the scope of the project.

Tenet Healthcare Corporation ("Applicant" or "Tenet") located at 1999 Bryan Street, Suite 900, Dallas, TX 75201 is filing a Notice of Determination of Need ("Application") with the Massachusetts Department of Public Health for a substantial capital expenditure by Saint Vincent Hospital ("SVH" or "the Hospital") located at 123 Summer Street, Worcester, MA 01608. SVH is an acute care teaching hospital that provides comprehensive emergency, outpatient, and hospital inpatient services, including but not limited to cancer, cardiovascular, neurology, orthopedic, OB/GYN, and surgical care. In addition to medical/surgical care, SVH also provides a continuum of psychiatric and substance use disorder ("SUD") (collectively, "behavioral health" or "BH") care. As part of this continuum, SVH is currently licensed to provide inpatient psychiatric care via thirteen psychiatric beds at its main campus. Additionally, SVH offers 24-hour access to emergency mental evaluation and SUD care, as well as a partial hospital program ("PHP") to help BH patients transition from inpatient to outpatient care and an intensive outpatient program ("IOP") to help BH patients step down from the PHP level of care. The proposed project is for the expansion of BH services at SVH through renovations to accommodate seven additional inpatient psychiatric beds and add a BH area to its emergency department ("ED") ("Proposed Project").

SVH seeks to expand its number of inpatient psychiatric beds and renovate its ED to include a BH area in order to address overcrowding and provide increased access to high-quality BH services in the Worcester area. SVH's BH services operate at high volume, as evidenced by annual patient counts and annual patient visit volume. Specifically, patient panel data for the last three fiscal years demonstrates that SVH has experienced a 45.9% increase in the number of total unique BH inpatients and outpatients treated, a 78.4% increase in total combined inpatient and outpatient visits, and a 24.7% increase in BH ED patient visits from FY15 to FY17. These increases are the result of a rise in the number of individuals across the state and in SVH's service area suffering from mental illness and SUDs. Similar to the state as a whole, the increased BH patient counts and BH patient visits at SVH have contributed to high inpatient occupancy rates, with inpatient beds full 91% of the time, and extended wait and boarding times in the ED.

It is well-established that a lack of inpatient beds is the single most important cause of ED crowding. Therefore, an important element of reducing wait times and ED crowding for patients seeking BH care is to expand the number of inpatient beds available. In comparison with other regions in the state, Central Massachusetts ("MA") has a lower density of psychiatric beds despite having high proportions of residents with high-acuity BH disorders. In accordance with evidence-based strategies, and to ensure that Central MA's growing population has timely access to necessary BH services in the Worcester area into the future, the Applicant proposes to expand the number of inpatient psychiatric beds at SVH by seven, from thirteen to twenty. Additionally, in recognition of the fact that inefficient ED design and processes contribute to crowding and prolonged length of stay, and therefore that expansion of psychiatric inpatient beds alone will not solve the BH access problem, the Applicant also proposes to renovate SVH's ED to include a regionalized eight-bay BH section.

Overall, the Applicant anticipates that implementation of the Proposed Project will provide significant improvement in SVH's capacity and ability to meet the BH needs of the Worcester region while meaningfully contributing to the Commonwealth's goals for cost containment. Additional inpatient psychiatric capacity will have a positive impact on ED throughput by allowing for expedition of SVH's growing mental health patient population to the right level of care and will support the re-capture of lost inpatient admissions to other hospitals in the region and state. Moreover, redesign of SVH's ED to include a dedicated space for BH patients will create operational efficiencies, enhance the flow of service delivery, and improve quality of care, safety, and patient experience by ensuring that BH patients receive private care that is tailored to meet their unique needs in the appropriate environment within the ED. These changes will improve public health outcomes by providing patients with greater access to high quality BH services that are close to home, which will lead to timely initiation of appropriate treatment and ultimately result in better care experiences, effective management of BH conditions, and enhanced quality of life. Additionally, the proposed changes will contribute to cost containment in MA by reducing expensive ED boarding hours through the expedited evaluation and transfer of BH patients to appropriate care settings. The creation of a regionalized area within SVH's ED for BH patients will also lead to cost efficiencies through increased throughput, access to timely care, as well as appropriate staffing patterns. For the reasons enumerated herein, the Applicant believes that the Proposed Project meets the Determination of Need factors of review necessary for approval.

2.2 and 2.3 Complete the Change in Service Form

3. Delegated Review

3.1 Do you assert that this Application is eligible for Delegated Review?

☐ Yes ☒ No

4. Conservation Project

4.1 Are you submitting this Application as a Conservation Project?

☐ Yes ☒ No

5. DoN-Required Services and DoN-Required Equipment

5.1 Is this an application filed pursuant to 105 CMR 100.725: DoN-Required Equipment and DoN-Required Service?

☐ Yes ☒ No

6. Transfer of Ownership

6.1 Is this an application filed pursuant to 105 CMR 100.735?

☐ Yes ☒ No

7. Ambulatory Surgery

7.1 Is this an application filed pursuant to 105 CMR 100.740(A) for Ambulatory Surgery?

☐ Yes ☒ No

8. Transfer of Site

8.1 Is this an application filed pursuant to 105 CMR 100.745?

☐ Yes ☒ No

9. Research Exemption

9.1 Is this an application for a Research Exemption?

☐ Yes ☒ No

10. Amendment

10.1 Is this an application for a Amendment?

☐ Yes ☒ No

11. Emergency Application

11.1 Is this an application filed pursuant to 105 CMR 100.740(B)?

☐ Yes ☒ No

12. Total Value and Filing Fee

Enter all currency in numbers only. No dollar signs or commas. Grayed fields will auto calculate depending upon answers above.

Your project application is for: Hospital/Clinic Substantial Capital Expenditure

12.1 Total Value of this project:

\$4,191,369.00

12.2 Total CHI commitment expressed in dollars: (calculated)

\$209,568.45

12.3 Filing Fee: (calculated)

\$8,382.74

12.4 Maximum Incremental Operating Expense resulting from the Proposed Project:

\$1,874,000.00

12.5 Total proposed Construction costs, specifically related to the Proposed Project, If any, which will be contracted out to local or minority, women, or veteran-owned businesses expressed in estimated total dollars.

\$578,409.00

13. Factors

Required Information and supporting documentation consistent with 105 CMR 100.210

Some Factors will not appear depending upon the type of license you are applying for.

Text fields will expand to fit your response.

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

F1.a.i Patient Panel:

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

See Attached Narrative.

F1.a.ii Need by Patient Panel:

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

See Attached Narrative.

F1.a.iii Competition:

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

See Attached Narrative.

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

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

See Attached Narrative.

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

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

See Attached Narrative.

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

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

See Attached Narrative.

F1.b.iv Provide additional information to demonstrate that the Proposed Project will result in improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity.

See Attached Narrative.

F1.c Provide evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, how the Proposed Project will create or ensure appropriate linkages to patients' primary care services.

See Attached Narrative.

F1.d Provide evidence of consultation, both prior to and after the Filing Date, with all Government Agencies with relevant licensure, certification, or other regulatory oversight of the Applicant or the Proposed Project.

See Attached Narrative.

F1.e.i Process for Determining Need/Evidence of Community Engagement: For assistance in responding to this portion of the Application, Applicant is encouraged to review *Community Engagement Standards for Community Health Planning Guideline*. With respect to the existing Patient Panel, please describe the process through which Applicant determined the need for the Proposed Project.

See Attached Narrative.

F1.e.ii Please provide evidence of sound Community Engagement and consultation throughout the development of the Proposed Project. A successful Applicant will, at a minimum, describe the process whereby the "Public Health Value" of the Proposed Project was considered, and will describe the Community Engagement process as it occurred and is occurring currently in, at least, the following contexts: Identification of Patient Panel Need; Design/selection of DoN Project in response to "Patient Panel" need; and Linking the Proposed Project to "Public Health Value".

See Attached Narrative.

Factor 2: Health Priorities

Addresses the impact of the Proposed Project on health more broadly (that is, beyond the Patient Panel) requiring that the Applicant demonstrate that the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation.

F2.a **Cost Containment:**

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

See Attached Narrative.

F2.b **Public Health Outcomes:**

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

See Attached Narrative.

F2.c **Delivery System Transformation:**



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

See Attached Narrative.

Factor 3: Compliance

Applicant certifies, by virtue of submitting this Application that it is in compliance and good standing with federal, state, and local laws and regulations, including, but not limited to M.G.L. c. 30, §§ 61 through 62H and the applicable regulations thereunder, and in compliance with all previously issued notices of Determination of Need and the terms and conditions attached therein .

F3.a Please list all previously issued Notices of Determination of Need

Add/Del Rows	Project Number	Date Approved	Type of Notification	Facility Name
 				

Factor 4: Financial Feasibility and Reasonableness of Expenditures and Costs

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

F4.a.i Capital Costs Chart:

For each Functional Area document the square footage and costs for New Construction and/or Renovations.

Add/Del Rows	Functional Areas	Present Square Footage		Square Footage Involved in Project				Resulting Square Footage		Total Cost		Cost/Square Footage	
		Net		New Construction		Renovation		Net	Gross	New Construction	Renovation	New Construction	Renovation
<div>+ -</div>	See Attached Capital Costs Chart.												
<div>+ -</div>													
<div>+ -</div>													
<div>+ -</div>													
<div>+ -</div>													
<div>+ -</div>													
<div>+ -</div>													
<div>+ -</div>													
Total: (calculated)													

F4.a.ii For each Category of Expenditure document New Construction and/or Renovation Costs.

	Category of Expenditure	New Construction	Renovation	Total (calculated)
Land Costs				
	Land Acquisition Cost	\$0.	\$0.	\$0.
	Site Survey and Soil Investigation	\$0.	\$0.	\$0.
	Other Non-Depreciable Land Development	\$0.	\$0.	\$0.
	Total Land Costs	\$0.	\$0.	\$0.
Construction Contract (including bonding cost)				
	Depreciable Land Development Cost	\$0.	\$0.	\$0.
	Building Acquisition Cost	\$0.	\$0.	\$0.
	Construction Contract (including bonding cost)	\$0.	\$3907970.	\$3907970.
	Fixed Equipment Not in Contract	\$0.	\$0.	\$0.
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost	\$0.	\$119150.	\$119150.
	Pre-filing Planning and Development Costs	\$0.	\$28265.	\$28265.
	Post-filing Planning and Development Costs	\$0.	\$0.	\$0.
Add/Del Rows	Other (specify)			
<input type="button" value="+"/> <input type="button" value="-"/>				
	Net Interest Expensed During Construction	\$0.	\$135984.	\$135984.
	Major Movable Equipment	\$0.	\$0.	\$0.
	Total Construction Costs	\$0.	\$4191369.	\$4191369.
Financing Costs:				
	Cost of Securing Financing (legal, administrative, feasibility studies, mortgage insurance, printing, etc	\$0.	\$0.	\$0.
	Bond Discount	\$0.	\$0.	\$0.
Add/Del Rows	Other (specify)			
<input type="button" value="+"/> <input type="button" value="-"/>			\$0.	\$0.
	Total Financing Costs	\$0.	\$0.	\$0.
	Estimated Total Capital Expenditure	\$0.	\$4191369.	\$4191369.

Factor 5: Relative Merit

F5.a.i Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

Proposal:

See Attached Narrative.

Quality:

See Attached Narrative.

Efficiency:

See Attached Narrative.

Capital Expense:

See Attached Narrative.

Operating Costs:

See Attached Narrative.

List alternative options for the Proposed Project:

Alternative Proposal:

See Attached Narrative.

Alternative Quality:

See Attached Narrative.

Alternative Efficiency:

See Attached Narrative.

Alternative Capital Expense:

See Attached Narrative.

Alternative Operating Costs:

See Attached Narrative.

Add additional Alternative Project

Delete this Alternative Project

F5.a.ii Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

See Attached Narrative.

Documentation Check List

The Check List below will assist you in keeping track of additional documentation needed for your application. Once you have completed this Application Form the additional documents needed for your application will be on this list. E-mail the documents as an attachment to: DPH.DON@state.ma.us

- ☒ Copy of Notice of Intent
- ☒ Affidavit of Truthfulness Form
- ☒ Scanned copy of Application Fee Check
- ☒ Affiliated Parties Table Question 1.9
- ☒ Change in Service Tables Questions 2.2 and 2.3
- ☐ Certification from an independent Certified Public Accountant
- ☒ Articles of Organization / Trust Agreement
- ☐ Current IRS Form, 990 Schedule H CHNA/CHIP and/or Current CHNA/CHIP submitted to Massachusetts AGO's Office
- ☐ Community Engagement Stakeholder Assessment form
- ☐ Community Engagement-Self Assessment form

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form.

To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit

Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the "E-mail submission to Determination of Need" button.

This document is ready to file:



Date/time Stamp: 07/26/2018 2:41 pm

E-mail submission to
Determination of Need

Application Number: -18072614-HE

Use this number on all communications regarding this application.

☐ Community Engagement-Self Assessment form