

HEALTH POLICY COMMISSION NOTICE OF MATERIAL CHANGE FORM

**Health Policy Commission
Two Boylston Street
6th Floor
Boston, MA 02116**

GENERAL INSTRUCTIONS

The attached form should be used by a provider or provider organization to provide a notice of material change ("Notice") to the Health Policy Commission ("Commission"), as required under § 13 of M.G.L. c. 6D. To complete the Notice, it is necessary to read and comply with Bulletin 2013-1 issued by the Commission, **Interim Guidance for Providers and Provider Organizations Relative to Notice of Material Change to the Health Policy Commission ("Interim Guidance")**. The Interim Guidance may be obtained on the Commission's website at www.mass.gov/hpc. For further assistance, please contact the Health Policy Commission at HPC-Notice@state.ma.us. This form is subject to statutory and regulatory changes that may take place from time to time.

WHO NEEDS TO FILE

This Notice should be submitted by any provider or provider organization with \$25,000,000 in net patient service revenue or more in the preceding fiscal year that is proposing a material change, as defined by the Interim Guidance. Notice must be filed with the Commission not less than 60 days before the effective date of the proposed change.

SUBMISSION OF NOTICE

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

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

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

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

PRELIMINARY REVIEW AND NOTICE OF COST AND MARKET IMPACT REVIEW

If the information provided in the Notice is incomplete or if the Commission determines clarification of the information submitted is needed to make its decision, the Commission may require the notifying organization to submit such supplemental information within 30 days of receipt of the initial Notice.

The Commission will notify each notifying organization of its decision to proceed with a cost and market impact review within 30 days of its receipt of a completed Notice and all necessary supplemental information.

PUBLIC DISCLOSURE

Pursuant to Bulletin 2013-1 issued by the Commission, all information collected by the Commission in connection with a Notice shall be deemed to be a public record.

NOTICE OF MATERIAL CHANGE

Date of Notice: **October 30, 2014**

1.	Name:	Winchester Hospital
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2.	Federal TAX ID #	MA DPH Facility ID #	NPI #
	04-2104434	2094	1790740777

	Contact Information		
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3.	Business Address 1:	41 Highland Avenue				
4.	Business Address 2:					
5.	City:	Winchester	State:	MA	Zip Code:	01890
5.	Business Website:	www.winchesterhospital.org				

7.	Contact First Name:	David	Contact Last Name:	Spackman
8.	Title:	General Counsel and Senior Vice President of Government Relations		
9.	Contact Phone:	781-744-3466	Extension:	
10.	Contact Email:	David.G.Spackman@lahey.org		

	Description of Organization		
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11.	<i>Briefly</i> describe your organization.		
	<p>Following its Affiliation with Lahey Health System, Inc. in July 2014, Winchester Hospital is a wholly-owned subsidiary of Lahey Health System, Inc., a Massachusetts non-profit corporation. Winchester Hospital has 189 licensed beds, including intensive care beds and a Level II B Special Care Nursery. Winchester Hospital has 21 licensed satellite facilities, including (i) the Winchester Hospital Family Medical Center, an outpatient and urgent care facility in Wilmington, MA, (ii) Winchester Hospital Imaging Center in Woburn, MA, and (iii) the Winchester Hospital Outpatient Center in Woburn, MA. Winchester Hospital has served the greater Winchester area since 1912 and is a leading provider of comprehensive health care services to residents of northwest suburban Boston. Winchester is the direct corporate parent of Winchester Physician Associates, Inc., which employs both hospital-based and community practice physicians.</p>		

	Type of Material Change		
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12.	Check the box that most accurately describes the proposed material change:		
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	<input type="checkbox"/> Merger or affiliation with a carrier <input type="checkbox"/> Acquisition of or acquisition by a carrier <input type="checkbox"/> Merger with or acquisition of or by a hospital or a hospital system <input type="checkbox"/> Any other acquisition, merger, or affiliation between a provider organization and another provider organization where such acquisition, merger, or affiliation would result in an increase in annual net patient service revenue of the provider or provider organization of more than \$10,000,000 <input type="checkbox"/> Any clinical affiliation between a provider or provider organization with another provider or provider organization which itself has an annual net patient service revenue of more than \$25,000,000 <input checked="" type="checkbox"/> Formation of a partnership, joint venture, common entity, accountable care organization, or parent corporation created for the purpose of contracting on behalf of more than one provider or provider organizations
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13.	What is the proposed effective date of the proposed material change?	January 1, 2015
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Material Change Narrative		
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14.	<i>Briefly</i> describe the nature and objectives of the proposed material change:	
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Winchester Hospital will form a new corporation for the purpose of establishing a physician hospital organization ("PHO"). Winchester Physician Associates, Inc.'s employed physicians will become participating providers in the PHO upon its formation. Non-employed physicians will also be provided the opportunity to participate in the PHO. Consistent with the goals and objectives of Chapter 224 of the Acts of 2012, the PHO will, among other things: (i) participate in risk-based contracts through the Lahey Clinical Performance Network, a wholly owned, direct subsidiary of Lahey Health System, Inc., and potentially negotiate and administer non-risk contracts on behalf of its participants; (ii) support and manage implementation of programs for effective population health management in the communities served by its providers; (iii) implement programs to improve quality, efficiency and the patient experience; (iv) support alignment of providers across the care continuum; and (v) support Winchester Hospital's and Lahey Health System, Inc.'s goal of ensuring that care is provided in the most appropriate and lowest cost setting.

15.	<i>Briefly</i> describe the anticipated impact of the proposed material change:	
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We do not expect any impact on health care costs in the Commonwealth as a direct result of the formation of the Corporation as outlined above. We believe the formation of the Corporation and its activities will support the goals of Winchester Hospital and Lahey Health System, Inc. as set forth in prior filings with the Health Policy Commission, including achieving cost savings by shifting care from higher cost academic medical centers to the community.

Development of the Material Change		
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16.	Describe any other material changes you anticipate making in the next 12 months:	
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	Winchester Hospital does not currently anticipate any additional material changes in this timeframe. Lahey Health is currently engaged in preliminary discussions with other health care providers in the region regarding potential collaborations and affiliations; however, Lahey Health has not entered into definitive agreements or letters of intent as a result of these discussions and none of these potential collaborations or affiliations are anticipated to be completed within the next 12 months.
17.	Indicate the date and nature of any applications, forms, notices or other materials you have submitted regarding the proposed material change to any other state or federal agency:
	Winchester Hospital will file the appropriate documents with the office of the Secretary of State of the Commonwealth of Massachusetts. We do not anticipate submitting any additional materials to any state or federal agencies in connection with the formation of the Corporation.

	Affidavit of Truthfulness and Proper Submission
I, the undersigned, certify that:	
<ol style="list-style-type: none"> 1. I have read the Health Policy Commission Bulletin 2013-1, Interim Guidance for Providers and Provider Organizations Relative to Notice of Material Change to the Health Policy Commission. 2. I have read this Notice of Material Change and the information contained therein is accurate and true. 3. I have submitted the required copies of this Notice to the Health Policy Commission and to all relevant agencies (see below*) as required. 	
Signed on the <u>26</u> day of <u>October</u> , 20 <u>14</u> , under the pains and penalties of perjury.	
Signature:	<u>David J. Spademan</u>
Name:	<u>David G. Spademan</u>
Title:	<u>General Counsel</u>
FORM MUST BE NOTARIZED IN THE SPACE PROVIDED BELOW:	

COMMONWEALTH OF MASSACHUSETTS
 Middlesex County, S.S. 2017-30, 2014
 On this 30 day of October, 2014 before me, the undersigned
 notary public, personally appeared David Spakman proved to me
 through satisfactory _____ evidence of identification,
 which were Personal Knowledge (I.D.) to be the
 person(s) who se name(s) is/are signed on the preceding or attached
 document, and acknowledged to me that he/she/they signed it voluntarily for
 its stated purpose Signatiff Witness Expiration Date: May 18, 2018

Barbara T. Lamont
 Notary Signature
 Exp. May 18, 2018

Copies of this application have been submitted electronically as follows:

Office of the Attorney General (1)

Center for Health Information and Analysis (1)

EXPLANATIONS AND DEFINITIONS

1.	Name	Legal business name as reported with Internal Revenue Service. This may be the parent organization or local provider organization name.
2.	Federal TAX ID #	9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the internal revenue service.
	MA DPH Facility ID #	If applicable, Massachusetts Department of Public Health Facility Identification Number.
	National Provider Identification Number (NPI)	10-digit National Provider identification number issued by the Centers for Medicare and Medicaid Services (CMS). This element pertains to the organization or entity directly providing service.
3.	Business Address 1:	Address location/site of applicant
4.	Business Address 2:	Address location/site of applicant continued often used to capture suite number, etc.
5.	City, State, Zip Code	Indicate the City, State, and Zip Code for the provider organization as defined by the US Postal Service.
6.	Business Website:	Business website URL
7.	Contact Last Name, First Name	Last name and First Name of the primary administrator completing the registration form.
8.	Title:	Professional title of the administrator completing the registration form.
9.	Contact Telephone and Extension	10-digit telephone number and telephone extension (if applicable) for administrator completing the registration form
10.	Contact Email:	Contact email for administrator
11.	Description of Organization:	Provide a brief description of the notifying organization's ownership,

		governance, and operational structure, including but not limited to provider type (acute hospital, physician group, skilled nursing facilities, independent practice organization, etc.), number of licensed beds, ownership type (corporation, partnership, limited liability corporation, etc.), service lines and service area(s).
12.	Type of Material Change	<p>Indicate the nature of the proposed material change.</p> <p><i>Definitions of terms:</i></p> <p>“Carrier”, an insurer licensed or otherwise authorized to transact accident or health insurance under chapter 175; a nonprofit hospital service corporation organized under chapter 176A; a nonprofit medical service corporation organized under chapter 176B; a health maintenance organization organized under chapter 176G; and an organization entering into a preferred provider arrangement under chapter 176I; provided that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of 1 or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term “carrier” shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or visions care services.</p> <p>“Hospital”, any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.</p> <p>“Hospital System”, a group of affiliated entities that includes one or more Hospitals that are overseen by a common entity or parent corporation.</p> <p>“Net patient service revenue”, total revenue received for patient care from any third party payer net of any contractual adjustments.</p> <p>“Provider”, any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the commonwealth to perform or provide health care services.</p> <p>“Provider organization”, any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents 1 or more health care providers in contracting with carriers for the payments of health care services; provided, that “provider organization” shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations and any other organization that contracts with carriers for payment for health care services.</p>

13.	Proposed Effective Date of the Proposed Material Change	Indicate the effective date of the proposed material change. NOTE: The effective date may not be less than 60 days from the date of the application notice.
14.	Description of the Proposed Material Change	Provide a brief narrative describing the nature and objectives of the proposed material change. Include organizational charts and other supporting materials as necessary to illustrate the proposed change in ownership, governance or operational structure.
15.	Impact of the Proposed Material Change	<p>Provide a brief description of any analysis conducted by the notifying organization as to the anticipated impact of the proposed material change including, but not limited to, the following factors, as applicable:</p> <ul style="list-style-type: none"> • Costs • Prices, including prices of the provider or provider organization involved in the proposed merger, acquisition, affiliation or other proposed material change • Utilization • Health status adjusted total medical expenses • Market Share • Referral Patterns • Payer Mix • Service Area(s) • Service Line(s) • Service Mix
16.	Future Planned Material Changes	Provide a brief description of the nature, scope and dates of any pending or planned material changes to ownership, governance, or operations within the 12 months following the date of the notice.
17.	Submission to Other State or Federal Agencies	Indicate the date and nature of any other applications, forms, notices or other materials provided to other state for federal agencies relative to the proposed material change, including but not limited to the Department of Public Health (e.g., Determination of Need Application, Notice of Intent to Acquire, Change in Licensure), Massachusetts Attorney General (e.g., notice pursuant to G.L. c. 180, §8A(c)), U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application) and Federal Trade Commission/Department of Justice (e.g., Notification and Report Form pursuant to 15 U.S.C. sec. 18a).