



Massachusetts Department of Public Health Determination of Need Application Form

Version: 11-8-17

Application Type: Application Date: 04/30/2018 3:56 pm

Applicant Name:

Mailing Address:

City: State: Zip Code:

Contact Person: Title:

Mailing Address:

City: State: Zip Code:

Phone: Ext: E-mail:

Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name:

Facility Address:

City: State: Zip Code:

Facility type: CMS Number:

1. About the Applicant

1.1 Type of organization (of the Applicant):

1.2 Applicant's Business Type: Corporation Limited Partnership Partnership Trust LLC 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? Yes No

1.5 Is Applicant or any affiliated entity an HPC-certified ACO? Yes No

1.5.a If yes, what is the legal name of that entity?

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)? Yes No

1.7 Does the Proposed Project also require the filing of a MCN with the HPC? Yes 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.

Winchester Hospital/Shields MRI, LLC ("Applicant") is a joint venture between Winchester Hospital ("WH" or "the Hospital") and Shields Imaging of Winchester, LLC ("Shields") that was formed in 2013 to establish a licensed clinic to provide magnetic resonance imaging ("MRI") services to WH patients. Currently, the Applicant provides MRI services at its licensed clinic located at 200 Unicorn Park Drive, Woburn, MA 01801 ("Unicorn Park"). This clinic is not on WH's main campus. For access, quality and cost efficiency purposes, the Applicant is filing a Notice of Determination of Need ("Application") with the Massachusetts Department of Public Health ("Department") for expansion of its existing MRI clinic through the acquisition of a new 1.5T MRI unit. The new unit will be located at a satellite of the Applicant's existing clinic that will be established at WH's main campus at 41 Highland Avenue, Winchester, MA 01890 ("Proposed Project").

The need for the addition of an on-campus MRI service for WH's patients to supplement the MRI services offered by the Applicant's clinic at Unicorn Park is based on the current lack of MRI services offered at WH. Presently, WH is one of only a few community hospitals in the state that does not offer any MR imaging services at its main campus. Rather, the Hospital provides its patients with access to MRI services via arrangement with the Applicant. Under the current arrangement, WH's patients must travel off WH's main campus to the Applicant's Unicorn Park clinic, or to Lahey Health & Medical Center located at 41 Burlington Mall Road, Burlington, MA 01805 during the clinic's off-hours, to access MR imaging services.

This lack of existing on-campus MRI services at WH is not ideal from a timeliness and care experience perspective, particularly for inpatients and emergency department ("ED") patients who require urgent access to MRI services to diagnose and treat acute or emergent conditions. Moreover, WH inpatients and ED patients in need of an MRI during the hospital visit must be transported via ambulance to the clinic and back to the Hospital, resulting in additional costs. This current arrangement disproportionately impacts older adults – who make up substantial percentages of both WH's and the Applicant's patient panels – as they are typically higher-acuity and have complex care needs, are at higher risk for adverse outcomes during transport, and often have fixed incomes. The Proposed Project will address these concerns and meet the need for timely access to conveniently located, cost-effective, and fully integrated inpatient, emergency, and imaging care by co-locating MRI services at WH via a satellite location of the Applicant's clinic.

The need for the Proposed Project is also supported by historical volume trends for the Applicant's MRI service at Unicorn Park. Data for the last three fiscal years ("FY") demonstrate that volume on the Applicant's existing two MRI scanners at Unicorn Park have increased by 11.2% and that these increases have in turn resulted in wait time increases and the need to extend operating hours late in the evening to meet demand. By adding a MR imaging satellite clinic to WH's main campus, the Applicant will not only be able to meet the needs of inpatients and ED patients, but will also be able to increase availability for MRI services at Unicorn Park for outpatient imaging. Specifically, the shift of inpatients and ED patients to WH's main campus for MRI services will help relieve capacity constraints at Unicorn Park and, consequently, will allow outpatients to avoid delays and cancellations caused by MRI scans needed for priority inpatients and ED patients, schedule appointments during convenient hours, and enjoy timely access to high quality MRI services.

Finally, the Proposed Project will address future needs of the patient panel. Projections through 2035 forecast that, in total, ED and inpatient utilization rates will increase into the future; counties across Massachusetts, including those from which WH's patients originate, will experience increases in the percentages of adults ages 65+; and, therefore, that older adult patients will constitute a higher percentage of those patients served in WH's inpatient and ED departments in coming years. Statistics indicate that the prevalence of orthopedic issues, neurological conditions, cancer, and cardiovascular disease increase with age, and that MRI is a well-established imaging tool used to detect and treat such age-related conditions. Together, these findings suggest that the demand for MRI services to treat inpatients and ED patients, and particularly older adult patients, will expand into the future. The Proposed Project will address this projected demand by providing MRI capacity at WH's main campus, which will allow WH inpatients and ED patients to receive a full complement of comprehensive inpatient, ED and MRI services in one setting.

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

3.1.a If yes, under what section?

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

5.2 If yes, is Applicant or any affiliated entity thereof a HPC-certified ACO? Yes No

5.2.a If yes, Please provide the date of approval and attach the approval letter:

5.3 See section on DoN-Required Services and DoN-Required Equipment in the Application Instructions

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: DoN-Required Equipment

12.1 Total Value of this project:

12.2 Total CHI commitment expressed in dollars: (calculated)

12.3 Filing Fee: (calculated)

12.4 Maximum Incremental Operating Expense resulting from the Proposed Project:

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.

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
<input type="checkbox"/> + <input type="checkbox"/> -				

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	Gross		New Construction	Renovation	Net	Gross	New Construction	Renovation	New Construction	Renovation	
+	MRI Suite	0	0	0	0	1,660	2,300	1,660	2,300	\$0.00	\$1,578,400.00	\$0.00	\$686.26
-													
-													
+													
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+													
+													
+													
+													
+													
+													
+													
+													
+													
+													
Total: (calculated)		0	0	0	0	1,660	2,300	1,660	2,300	\$0.00	\$1,578,400.00	\$0.00	\$686.26

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.	\$320000.	\$320000.
	Construction Contract (including bonding cost)	\$0.	\$1447400.	\$1447400.
	Fixed Equipment Not in Contract	\$0.	\$0.	\$0.
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost	\$0.	\$131000.	\$131000.
	Pre-filing Planning and Development Costs	\$0.	\$75000.	\$75000.
	Post-filing Planning and Development Costs	\$0.	\$12000.	\$12000.
Add/Del Rows	Other (specify)			
<input type="checkbox"/> + <input type="checkbox"/> -				
	Net Interest Expensed During Construction	\$0.	\$209600.	\$209600.
	Major Movable Equipment	\$0.	\$1600000.	\$1600000.
	Total Construction Costs	\$0.	\$3795000.	\$3795000.
	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="checkbox"/> + <input type="checkbox"/> -				
	Total Financing Costs	\$0.	\$0.	\$0.
	Estimated Total Capital Expenditure	\$0.	\$3795000.	\$3795000.

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
- Limited Liability Company agreement
- Partnership agreement
- 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: 04/30/2018 3:56 pm

E-mail submission to
Determination of Need

Application Number: -18042417-RE

Use this number on all communications regarding this application.

Community Engagement-Self Assessment form