



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
250 Washington Street, Boston, MA 02108-4619

CHARLES D. BAKER
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Commissioner

Tel: 617-624-6000
www.mass.gov/dph

May 29, 2018

VIA ELECTRONIC MAIL: nedwards@barrettsingal.com

Nina G. Edwards
Attorney
Donoghue, Barrett & Singal
One Beacon Street
Boston, MA 02108

Re: Worcester Health Group, LLC
Request for Minor Amendment to DoN 2-1456
DoN # 18040211-AM

Dear Ms. Edwards:

This letter is in response to your request submitted on behalf of Worcester Health Group, LLC (Holder) for an amendment to its approved Determination of Need (DoN) Project #2-1456 (Project). This request is for a Minor Change to the Project pursuant to 105 CMR 100.635(A)(2). In its request, the Holder seeks approval to increase the maximum capital expenditure (MCE) of the project from \$12,637,764 (March 2018 dollars) by \$1,242,708, or 9.83%, to \$13,880,472 (March 2018 dollars).

Background

The DoN as approved in July, 2003, authorized substantial renovation of the existing nursing facility located at 26 Harvard Street, Worcester, MA, including renovation of 70,781 gross square feet (GSF) and new construction of 1,396 GSF at the existing facility. The Project has undergone a series of amendments through 2015, including, in 2008, an approved Transfer of Ownership, through which the current Holder took over the Facility.

The DoN Regulation at 105 CMR 100.635(A)(2) which governs minor change amendments, requires a determination that, based upon the information submitted to the Department, "the proposed change or modification is Minor, it falls within the scope of the Notice of DoN as previously approved by the Department, and the proposed change is reasonable." In addition, "an increase [in capital expenditure] shall be allowed only for contingencies that could not have been reasonably foreseen, [and] that are not reasonably within the control of the Holder..."

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Proposed Amendment

The Holder requests authorization to increase the capital cost for the Project by \$1,242,708 (March 2018 dollars). There are no requested changes to the GSF or to the scope of the Project.

In support, the Holder says that it needs to address unforeseen circumstances that according to the Holder, necessitate additional expenditure. The project involves old buildings, one of which is more than 150 years old and which had not had any material improvements for more than 40 years. The Holder states that the existing plans of these buildings did not provide sufficient information on the existing conditions of the Facility at the time of the original DoN application, resulting in additional construction, architectural and infrastructure costs. Additional asbestos removal is required; hidden wall paper that had been painted over had to be removed. The Holder has been completing this as a phased project in an occupied and operating facility, doing work in small components and with appropriate barriers separating the work from the Facility areas that are in use, providing care and services.

The request will increase the total approved capital expenditure from \$12,637,764 (March 2018 dollars) to \$13,880,472 (March 2018 dollars).

Findings and Decision

The proposal falls within the definition of Minor Change set out in 105 CMR 100.000; the proposed work is within the scope of the Notice of DoN as previously approved by the Department; and the proposed change is reasonable. Based on these findings the Holder's request for Minor Change pursuant to 105 CMR 100.635(A)(2) is approved and the revised capital cost is \$13,880,472 (March 2018 dollars).

All conditions accompanying the original DoN approval and subsequent amendments shall remain in effect.

Sincerely,



Monica Bharel, MD, MPH
Commissioner

Cc: Alice Bonner
Stephen Davis

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Daniel Gent

Sherman Lohnes

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Thomas Lane

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