

July 21, 2017

Via Email (dph.don@state.ma.us)

Ms. Nora Mann, Esq.
Director, Determination of Need Program
Department of Public Health
250 Washington Street, 6th Floor
Boston, Massachusetts 02108

RE: Berkshire Health Systems, Inc. Notification of Change of Designated Location of
Berkshire Medical Center, Inc. Ambulatory Surgery Rooms for Consolidated Endoscopy
Suite Pursuant to 105 CMR 100.745

Dear Ms. Mann:

Berkshire Health Systems, Inc. has completed the DoN Application cover sheet to provide written notice to the Department in accordance with 105 CMR 100.745 of a proposed change in designated location of Berkshire Medical Center's (BMC) existing endoscopy setting as well as related changes in designated location of ambulatory surgery room capacity to support a consolidated 5 room dedicated endoscopy suite on the main campus (the "Endo Suite"). In accordance with your instructions, we have included the information required under Question 8 of the DoN application in this narrative cover letter.

I. Summary of Changes

The following describes what BMC proposes to do:

- BMC's 3 dedicated endoscopy rooms that are currently part of the 8 room Crane Center for Ambulatory Surgery located at 24 Park Street, Pittsfield MA 01201 (on BMC's main campus in Pittsfield) will be relocated to an Endo Suite to be located in the recently vacated Cancer Center space located at 725 North Street, Pittsfield, MA 01201 on the hospital campus. The Crane Center ambulatory surgical suite would no longer be used for endoscopies.
- A change in designated location of capacity of 2 operating rooms from BMC's North Adams satellite campus located at 71 Hospital Avenue, North Adams MA 01247 to the Endo Suite. BMC has been unable to use these rooms for ambulatory surgery due to inability to recruit surgeons to this area, and many North Adams patients have had to travel to BMC.

- A change in designated location of capacity of 2 endoscopy rooms from the recently closed Berkshire Endoscopy Center (BEC), located at Eagle Street, 3rd floor in Pittsfield in close proximity to the hospital campus, to the Endo Suite. These rooms were operated by two BMC staff physicians who conducted their procedures at BMC prior to relocating non-MassHealth patients to the BEC. Unexpectedly, the BEC physicians each notified BMC that they were transferring all of their cases back to BMC. This relocation is an urgent replacement of such endoscopy room capacity.
- Overflow outpatient endoscopy procedures that are currently performed in the Minor Room, a smaller operating room in BMC's inpatient OR suite on the hospital campus, will be relocated to the Endo Suite, leaving the Minor room intact for existing cardio procedures and inpatient endoscopies

The above moves represent a consolidation of pre-existing endoscopy capacity from 3 locations to convenient quarters on BMC's main campus. These moves do not impact BMC's DPH Hospital License certificate. The hospital's licensure files would be updated, however, to reflect the Endo Suite rooms on the main campus and the decrease of 2 operating rooms on the satellite campus in North Adams.

The Endo Suite renovations will require approximately \$1.69 million in capital expenditures, per the attached form 4. It would not be built for dual use for ambulatory surgery but will be limited to endoscopy.

II. Regulatory Requirements

A. Reasons for Request & Background

- Patient volumes have been increasing annually at both BMC's Crane Center and the North Adams satellite. This is due to a variety of factors including a general increase in the number of individuals seeking treatment due to economic/insurance changes, the aging population, and BMC's 2016 participation in a nationwide effort to increase the number of colorectal screenings. Berkshire has set a goal to increase the number of eligible individuals screened from the current regional low of 55% to nationwide goal of 80%, and has put in place a 2017 community benefit program for this purpose.
- BMC is also experiencing significant challenges for scheduling endoscopies at its main and North Adams campuses. BMC is currently unable to accommodate the additional BEC endoscopy patients in light of BMC's existing 200 case (4 month) backlog from increasing patient need in its service area, including the North Adams area. Even with the Endo Suite, BMC will still not have sufficient endoscopy capacity. The new suite is

projected to reduce the wait time for procedures to approximately 2 months, a delay which is more manageable though still not ideal.

- Berkshire Endoscopy Center (BEC) was established in 2002 as a non-Medicaid certified clinic by two physicians who were members of BMC's medical staff. Prior to opening BEC, they performed their procedures at BMC. Currently, they practice part-time at the Crane Center for the benefit of their MassHealth patients.
- Since 2010, BMC has provided ambulatory endoscopy services in 3 out of the 8 ambulatory surgery rooms located at the Crane Center. Due to capacity constraints, outpatient endoscopies are also performed in the Minor Room.
- Since 2014, BMC also has been providing ambulatory surgery and endoscopy services at the North Adams satellite. DPH approved 4 ambulatory surgery operating rooms and two endoscopy rooms at this location without the need for a DoN as they were viewed as an urgent replacement of existing community capacity from the former North Adams Regional Hospital. Unfortunately, BMC has been unable to locate physician coverage to maximize use of the North Adams surgical suite. Therefore, since the 2014 opening of the North Adams satellite facility, due to physician recruitment challenges, two of the operating rooms are not used and a significant number of North Adams patients are coming to BMC (or foregoing care).
- In the late Winter of 2016, BMC was informed by one of the BEC physicians that the BEC partnership was ending and that such physician would be transferring all procedures back to the Crane Center together with the physicians' existing MassHealth procedure caseload.
- In the early spring of 2017, BEC's second physician informed BMC of a June closure of BEC and of plans to transfer all patient procedures to BMC in addition to the physician's existing MassHealth procedure caseload.
- At the time that this occurred, BMC was in the process of evaluating how to best use the space recently vacated by the Cancer Center. When faced with the prospect of BEC's closing, and considering the backlog of cases, BMC quickly embarked on planning for the Endo Suite which would address both the existing and the new challenges.
- BMC is expecting two additional physicians who will arrive this summer to perform endoscopies to address the backlog for existing BMC and North Adams patients. Without the Endo Suite, they will not be able to address the backlog.
- The Endo Suite will take only 6-8 weeks to complete. BMC is ready to submit plans for self-certification review upon confirmation from the Department of this notice.
- BEC was not Medicaid certified. The Endo Suite will be Medicaid-certified, thereby increasing MassHealth access in the region without an addition or expansion of capacity.
- The Endo suite does not represent a substantial change in service. There is no addition, expansion, conversion or original licensure.

B. Comparison Related to Current & Proposed Sites

- The Endo Suite room square footage is comparable in size to the North Adams site (North Adams rooms are an average 450 - 500 square feet v. proposed Endo Suite room size of 400 - 420 square feet). Both locations room sizes meet the size requirements for Outpatient Operating Rooms (minimum clear floor area 250 sf). It is not the intent, however, to use any of the new Endoscopy suite rooms as ambulatory operating rooms as the HVAC systems designed to support the new Endoscopy procedure rooms will not provide the required ventilation (ACH) for an outpatient surgical suite per the DPH checklist (OP 9 3.7-3.3). The Endo Suite procedure rooms will meet the ventilation requirements of OP 10 3.9-3.2.2.
- The present and proposed locations are currently part of the hospital's Primary Service Area which is comprised of all of Berkshire County. There is no change in demographic served; the existing and proposed patient populations are identical as the services areas are the same. As noted above, North Adams patients are already being served on the main hospital campus.
- The Endo Suite will be located within in the existing BMC campus, so ownership and appropriate zoning has long been in place.

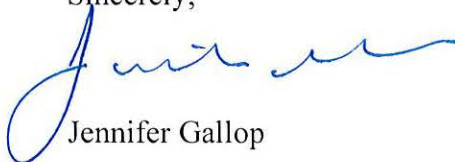
C. Information Related to Cost

- Transferring the operating room capacity will not impact price, total medical expenditures, provider costs or other recognized measure of health care spending. The operation of the Endo Suite is intended to reduce health care system costs overall by increasing the number of screenings that are done and earlier diagnosis of patients, and by realizing the efficiencies of the consolidated setting.
- There is no substantial capital expenditure. The construction involves only modifications and facility upgrades to an existing licensed area of approximately 13,000 square feet. The estimated capital expenditure associated of approximately \$1.69 million is well below the hospital DoN threshold. (It is even below the DoN threshold for a medical clinic, though such threshold is inapplicable). A project under the \$2 million qualifies for DPH self-certification plan review.
- The changes in designated location do not involve any other costs, and operating costs are intended to decrease.
- All construction is intended to be performed by local contractors.

IV. Conclusion

BMC has struggled to locate physician coverage in North Adams, and patients from that area have been and will continue to travel to the main campus. The hospital's existing backlog of endoscopy patients and insufficient space on the main campus to accommodate them also prevent BMC from ensuring that residents of its primary service area have sufficient access to endoscopy services. The recent closure of BEC, the local independent ambulatory surgery center, is pushing BMC's already overcrowded endoscopy space (including the North Adams satellite location) into an untenable situation. The proposed consolidation will preserve access to this essential service for the same patient population in the same service area without an increase in cost, while ensuring that patients receive more timely access to these services. Moreover, it will also improve access for MassHealth recipients. The improved patient care due to increased access, together with the operating efficiencies of the Endo Suite, should reduce system costs.

Sincerely,



Jennifer Gallop

JG/

cc: Joseph Laroche, (Vice President BHS) by email jlaroche@bhs1.org
John Rogers, (Vice President and General Counsel BHS) by email jrogers@bhs1.org
Kate Mills, HPC (by email - katherine.mills@state.ma.us)
Mary Byrnes, CHIA (by email - mary.byrnes@state.ma.us) & Data@MassMail.State.MA.US
Eric Gold, AGO (by email - HCD-DON-Filings@state.ma.us)
Sherman Lohnes, Esq., DPH (by email - sherman.lohnes@state.ma.us)
Rebecca Rodman, Esq., DPH (by email - rebecca.rodman@state.ma.us)
David Garbarino, MassHealth (by email - david.garbarino@state.ma.us)
Steve Sauter, MassHealth/Providers and Plans (by email - Steven.Sauter@MassMail.State.MA.US)
Samuel Louis, Office of Health Equity (by email - Samuel.Louis@MassMail.State.MA.US)

1240\0133\449894.3