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invasion of Downtown
Crossing means for Boston



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MILLIONAIRE'S TAX IS FAIR

In his recent piece in *CommonWealth* regarding the proposed Fair Share Amendment, or “millionaire’s tax,” Edward M. Murphy clearly understands why the amendment is necessary (“Dump the millionaire tax,” Winter ’17). He is right that the \$1.9 billion that would be generated by the tax “could make a real difference” in funding transportation and public education across the state. He’s also correct that Massachusetts’ overall tax structure is regressive, and that voters support higher taxes on people whose annual income exceeds \$1 million.

Unfortunately, Murphy’s piece contained several often-repeated misunderstandings of the Fair Share Amendment. As one of the original signers of the initiative petition, I hope to set the record straight.

First, Murphy argues that the Fair Share funds cannot be dedicated to transportation and public education due to a provision in the Massachusetts Constitution which precludes the adoption of any amendment that “makes a specific appropriation of money.”

In fact, Article 104 of the Constitution already dedicates revenue from the gas tax and other sources to the transportation needs of the Commonwealth. The Legislature determines what specific projects that revenue gets spent on, within the authorized range of purposes. Article 104 was passed by initiative petition. It has been repeatedly upheld by the courts as binding on the Legislature.

Murphy then cites a single anecdote about a hedge fund manager who moved from New Jersey to Florida as

evidence that millionaires will flee the state if the Fair Share Amendment is adopted. Research shows that high-income people move to be near family and jobs, or to places with cheaper housing markets or warmer weather, not to save a few percentage points on their taxes. Multiple studies have found that when states such as New Jersey, Oregon, and Maryland raised the rate on their top tax brackets, there was no major change in the number of high income filers who moved to other states.

Murphy also claims that the Fair Share Amendment “fails to mitigate the state’s regressive tax system.” Today, the bottom 99 percent of taxpayers in Massachusetts pay 9.4 percent of their income in state and local taxes, while the top 1 percent of taxpayers pay only 6.5 percent. With the Fair Share Amendment, the amount paid by the top 1 percent would increase to 8 percent, still less than the rest of us. Murphy is therefore correct that our tax system would still be somewhat regressive. That hardly seems like a reason to oppose a major improvement to the equity of our tax system that would fund critical investments in our transportation infrastructure and public education.

Lastly, Murphy ignores the reason we’re talking about the Fair Share Amendment at all. This is a citizens’ initiative, not a legislative proposal. Raise Up Massachusetts—a grassroots coalition of community organizations, religious groups, and labor unions—collected more than 157,000 signatures from Massachusetts voters to place the Fair Share Amendment on the 2018 ballot.

If Massachusetts is serious about



helping working families and building a stronger economy, we must all embrace the Fair Share Amendment.

Mary Ann Stewart

Parent representative

Massachusetts Board of Elementary and Secondary Education

CONTRACTOR STORY MISSING KEY NUMBERS

The article entitled “Home Wreckers” (Winter ’17) focused on the Massachusetts Home Improvement Contractor Program and Guaranty Fund administered by the Office of Consumer Affairs and Business Regulation as required by law since 1992.

Usually numbers tell the story, but in this instance very encouraging numbers weren’t in the story. Since the Baker-Polito Administration came into office in 2015, concerted and continuing efforts are yielding considerable improvements to a revamped program under my direction.

Compliance with the requirement for new contractor registration is central to fixing what has, in the past, negatively impacted Guaranty Fund balances and claim payments to aggrieved homeowners. However, since the end of 2014, new registrations have increased 34 percent. That’s had a very positive impact on the Guaranty Fund, which can reimburse homeowners up to \$10,000

for unpaid court judgments against contractors. The fund's coffers rose 51 percent in 2016 from 2014 levels. That, in turn, has led to full claim payments being made within 30 days to qualifying homeowners with court judgments against contractors. Contrast this with the fact that in 2013, some qualifying Guaranty Fund claim payments were often delayed by up to two years and others were staggered due to concerns over the Guaranty Fund's solvency. My office is now working with municipal building inspectors to deny building permits to contractors owing outstanding fines. In 2016, the result was a recoupment of \$72,000 in fine payments to the fund, a 100 percent increase over the previous year. In fact the fund closed out 2016 with a very healthy balance of \$957,000.

What "Home Wreckers" also failed to convey is that homeowners

apply for relief from the Guaranty Fund only after they demonstrate that they've made reasonable efforts to collect on their court judgment against a contractor. The Office of Consumer Affairs uses debt collection services and the Office of the Comptroller's Interceptor Program to try and compel contractors to reimburse the Guaranty Fund. Enforcement referrals to the attorney general's office have been made and will continue to be made going forward. This office can and does regularly revoke contractors' registrations, but that doesn't mean they will cease soliciting and accepting home improvement jobs.

Finally, the sub-headline speaks to homeowners being given a false sense of protection from the program. Registered or not, contractors can be proud craftsmen with great track records, but they can

also be shoddy in their work and dishonest with their customers. The office always recommends that the best way homeowners can safeguard themselves is to get estimates from multiple contractors, ask for references, and use the office's online look-up to ensure they are registered and see whether they have complaint, disciplinary, arbitration, or Guaranty Fund histories.

*John Chapman
Undersecretary,
Office of Consumer Affairs &
Business Regulation*

CORRECTION

Due to a reporting error, a story ("Steward's asset-light philosophy") in the Winter 2017 issue incorrectly stated that Steward Health Care oversees 4,000 patients. The company actually oversees 400,000 patients.

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What about those holes?

TO SHOW YOU how stupid I am, I thought Suffolk Construction had forgotten to finish the job when it was building Millennium Tower at Downtown Crossing. Every day last year I watched, fascinated, as the building soared higher and higher into the air. And then it seemed to be finished. Lights were coming on in the condos and people seemed to be moving in. Yet there were still holes in the sides of the building on the upper floors.

My curiosity finally got the better of me, so I called Suffolk to ask what was up with those holes in the side of the building. A spokesman for the construction company told me I would have to contact the developer about that. Thinking I must be on to something, I called Millennium Partners and finally was connected to someone who patiently explained to me that those aren't holes, they're indoor terraces.

Feeling pretty embarrassed at that point, I hung up and went to cover an MBTA meeting. But I kept thinking about Millennium Tower and those indoor terraces. What's it like, I wondered, living 59 stories in the air and being able to step out onto an indoor terrace and take in the air. So that's how the 1 percent lives, I thought to myself.

It didn't take long before I wanted to know more. Who lived in the tower? What was it like to live there? And what impact would this building and others like it have on Boston? With those questions, the cover story in this issue began to take shape.

The biggest challenge was learning more about the people who purchased units in the building. Their deeds, on file at the Suffolk County Registry of Deeds, revealed

how much they paid and the size of their mortgages (most people paid cash), but little about who they are.

The owners by and large weren't household names, at least to me. Also, a good number of them made their purchases using limited liability companies or real estate trusts that concealed their identities. Still, there were clues.

One of the penthouse units was purchased for \$10.9 million by a limited liability company identified as MTPH4B LLC. In state corporation records, the manager of the LLC was listed as Marc R. Lisker of 645 Fifth Avenue in New York City. That is the address of MSD Capital, which was formed by Michael Dell, the founder and CEO of Dell Technologies, to manage his capital. Bingo: Michael Dell bought the condo.

In other instances, my analysis was based on educated guesses more than anything else. A man named Flemming Ornskov purchased a unit on the 43d floor for \$4.15 million. His deed revealed little about him and he didn't show up in state corporation records or campaign finance documents. A Google search indicated a Flemming Ornskov was the CEO of Shire Plc, a Lexington-based pharmaceutical company. My guess was that he was the buyer.

A Delaware limited liability company named Millennium Dream LLC purchased two units for a total of \$5.5 million. One unit was on the 27th floor and the other on the 28th floor. Delaware LLCs typically reveal nothing about the owner, but on the deeds the address of the purchaser was given as Tim Steinert, c/o 26th floor, Tower One, Times Square, 1 Matheson St., Hong Kong. I Googled that address and discovered it belonged to the Alibaba Group, a giant Chinese web commerce company. Steinert is the company's general counsel. It's unclear whether he was buying the units for himself or for the company.

As you can see, there's an interesting story behind every purchase. The trick is getting at it.

Bruce Mohl

BRUCE MOHL





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Nickeled and dimed

The town of Dartmouth is certainly a stickler for the rules, unwilling to forego a nickel copying fee for a document disclosing a legal settlement involving hundreds of thousands of dollars.

CommonWealth sent a public records request to Town Administrator David Cressman for a copy of a settlement agreement between Dartmouth and its former police chief, Timothy Lee.



Lee, who had been collecting \$161,000 a year in pay, had filed a \$4 million suit against the town in federal court, alleging civil rights, defamation, and other violations. The town and its ex-cop eventually settled for \$650,000.

Cressman's office responded by mailing an invoice for 5 cents to cover the cost of copying the one-page agreement.

Town officials declined to waive the fee, even though it was going to cost the municipality more than 5 cents in postage and handling to collect the copying fee.

Public records regulations also allow town officials to waive the fee when the disclosure of a record is in the public interest or the request for records is not primarily of a commercial nature.

The nickel was paid (by credit card) and the settlement agreement was sent out by both email and via the US Postal Service, complete with a 46.5-cent postage meter stamp on the envelope.

► COLMAN M. HERMAN

Big Pharma hides costs with bait and switch

► JACK SULLIVAN

THE ADS FOR high-end prescription drugs seem ubiquitous. Invokana, Xarelto, Abilify, and Humira are just a few names familiar to anyone with a television.

The drugs are some of the stars of the more than \$5 billion in direct-to-consumer advertising the pharmaceutical industry does each year to convince patients to ask their doctors to prescribe the medicines. In most of the ads, viewers see a tagline offering a reduced price to qualified buyers, a hook that gives consumers a financial incentive to try the drug.

The qualified buyers targeted by the ads are not low-income patients who couldn't otherwise afford the drugs. Instead, the ads are mostly aimed at consumers with commercial insurance. The drug companies offer them a coupon or a card that drastically reduces or waives their co-pay. The approach means consumers with a choice of a brand-name or a generic drug have an incentive to choose the brand-name. In instances where there is no generic alternative, the waiver of the co-pay provides an incentive for the patient to try the drug.

UNDER THE RADAR

With the cost of drugs one of the biggest factors driving up health care costs, insurance companies are increasing co-pays and deductibles for prescriptions in an effort to make consumers more price-conscious and steer them toward cheaper options. The drug company ads are an under-the-radar effort to steer consumers with private insurance in the other direction.

For example, someone needing a blood thinner could obtain a prescription for the generic drug warfarin and face a co-pay of just a few dollars for a 30- or 90-day supply. By contrast, someone taking Xarelto or Eliquis, two brand-name blood thinners that are used in the treatment of blood clots, will likely pay the highest tier of co-pays, as high as \$50 in many plans. For a maintenance drug like Xarelto, co-pays could total \$600 over the course of a year.

For someone who can use either drug, the choice would be fairly simple. But Johnson & Johnson, the manufacturer of Xarelto, gives potential customers with commercial insurance a card they can present to their local pharmacy entitling them to a free, 30-day trial and a waiver on all co-pays. The customer sees their cost go down, while the insurer is stuck with the tab for the higher-cost drug. Under one Massachusetts HMO, the insurer pays about \$340 per 30-day prescription for Xarelto.

For some drugs, especially with no low-cost alternative, the price to insurers is even higher. Humira, a very costly treatment for arthritis and psoriasis, is another brand-name drug where the co-pay assistance is popular, a result of aggressive advertising that topped \$200 million last year as the drug's patent expired. Under one Massachusetts HMO plan, the insurer pays \$4,353 for a

28-day prescription, while the consumer is responsible for a co-pay of \$125. With the co-pay assistance, however, the patient would pay as little as \$5 a month, while the insurance company would still pay its portion.

In Massachusetts, there is a law that prohibits discounts, coupons, rebates, or co-pay assistance for prescription drugs, the only state to ban such price reductions. But in a quirk of law, there is an exemption that was passed that makes the statute moot that is set to expire in 2019. State Rep. Ted Speliotis has filed a bill at the request of a constituent that would make the exemption permanent, though it still leaves the ban on the books.

State Rep. Christine Barber of Somerville, a former health care policy advisor who as a legislative aide helped write the state's 2006 universal health care law, says the discounts by manufacturers are just a placebo to mask the problems of inflated drug prices. "Discounts and coupons are not a way of actually addressing the rising costs

of prescription drug prices," she says. "Coupons are a way to increase sales for higher cost drugs, not a way that is actually getting at the cost of prescriptions."

The drug company discounts are not available to people on government health plans such as Medicare, Medicaid, or those provided through the Veterans Administration. The government health plans pay much less for drugs, and Medicare, which is the world's biggest purchaser of prescription medications, is prohibited by law from entering negotiations with drug manufacturers.

Dr. Donald Berwick, who was administrator of the Centers for Medicare and Medicaid Services under former President Barack Obama, says the secrecy with which health insurers bargain and contract with pharmaceutical companies makes comparison shopping difficult. Health insurers will not publicly reveal how much they pay for drugs, calling it proprietary information, though they are bound by law to tell customers.



MICROPHILANTHROPY

Running away from homelessness ► EDWARD M. MURPHY

Microphilanthropy is an occasional feature that calls attention to small acts of generosity that people do for the benefit of others and highlights little-known needs that could benefit from generosity, even on a small scale.

GOVERNMENT POLICY MAKERS, community activists, and social workers have designed many different programs with the goal of avoiding or remedying homelessness. The programs are aimed at varying segments of the homeless population and have differing expectations, requirements, and success rates. Perhaps the most unique and physically demanding intervention is the service offered in Boston by a non-profit organization called Back on My Feet. They mean it literally.

Back on My Feet invites homeless individuals to join one of several groups of runners who gather three

mornings a week at different sites between 5:30 a.m. and 6:30 a.m. to run for 45 minutes. The groups are organized by Back on My Feet's small staff and joined by volunteer members of Boston's robust running community who participate to share their love for the sport and to engage people who need help. The staff maintains a relationship with shelters throughout the city to find homeless people who are interested in the challenge and benefits of exercise three days a week. The homeless individuals who join the running groups are 70 percent male, range in age from 18 to 65-plus, and approximately one-third are veterans.

The Back on My Feet program, which operates successfully in 12 other cities, is carefully designed to build confidence and a sense of community. Staffers emphasize that "no one runs alone" as a way of drawing in the homeless participants and encouraging them to become consistent runners. Joining their morning running group regularly over a period of 30 days will earn homeless participants the support of Back on My Feet for what the organization calls "Next Steps." Approximately 80 percent of the initial participants fall into this category. They are congratulated for their consistency and given high quality

“A lot of it is opaque,” says Berwick, a pediatrician and one-time Massachusetts gubernatorial candidate. “We’ve got to make drug policy more transparent.”

Wynn is shipping contaminated soil to landfills across nation

► BRUCE MOHL

THE CLEANUP OF the Wynn Resorts casino site in Everett is a case of addition through subtraction.

Before the Wynn tower could start going up, all of the contaminated soil on the property had to be removed.

An estimated 500,000 tons of dirt containing PCBs, arsenic, lead, ash, petroleum products, and asbestos were carted off to special landfills in Massachusetts, New Hampshire,

Maine, Rhode Island, Quebec, Michigan, Ohio, and Georgia. Most of the dirt was shipped out on two trains, each with 28 cars, that pulled into the property on a daily basis. About 100 trucks also did pickups every day.

Chris Gordon, president of Wynn Design and Development, says the cleanup so far has gone pretty much as expected. The company drilled about 2,000 bore holes on the site and then examined the dirt samples to see what was below ground. The top layer, about 6- to 8-feet deep, was relatively clean crushed stone, much of it brought in from the drilling of the nine-mile Deer Island sewage outflow tunnel under Boston Harbor during the 1990s. Below that was a layer of dirt full of contaminants left over from the Monsanto chemical plant that once occupied the site. Both layers were removed.

There was one surprise. Gordon says excavators found parts of a boiler room and pipes that were wrapped in asbestos. There were also wood timbers and bricks, presumably remnants of buildings on the site that had been bulldozed and buried.

Wynn budgeted \$30 million for the site cleanup, but the tab may rise higher than that, in part because of the

running outfits as a way of solidifying their identification with the group. It is also made clear that more is expected of and available to them.

After the initial 30 days, the key part of Next Steps is the development of a plan for self-sufficiency. The steps vary depending on the needs of the individual and can include GED classes or other educational support, job training programs, employment referrals, or transportation assistance. Back on My feet has relationships with large corporations such as CVS and Accenture, who help provide the training and emulate a work setting. All the while the participants continue running with their morning group. The goal for Back on My Feet is to have two-thirds of the participants housed and employed

within six months. Approximately 100 people are now participating in the program in Boston.

Back on My Feet does not see running as the solution to homelessness but offers running as a catalyst for people who need change in their lives. Consistent running can improve confidence, health, self-esteem, and a focus on goals. It is not for everyone, but it is an effective way to offer homeless individuals a place in a community of people who have varied backgrounds but who share a common interest.

The work of Back on My Feet is made possible by fund-raising events, donations from individuals, help from its corporate partners, and the volunteer time of dedicated runners willing to join the morning groups around the

city. “We rely on the generosity and commitment of our volunteers and donors, who are true partners in this work,” says Theresa Lynn, executive director of the Boston chapter. “We need additional funders and program partners to expand our work.”

Experience shows that it is important to have several volunteer runners for each program participant to create the sense of community that enables change. If you can make a tax-deductible contribution or volunteer to join a running group, please contact Lynn, at theresa.lynn@backonmyfeet.org or reach out to their office at The Comcast Building, 426 East 1st Street, Boston, MA 02127 (Tel: 617-697-6505). More information is available on the web at <http://boston.backonmyfeet.org/>



Dirt at the Wynn casino site is segregated, tested for contaminants, and then shipped to landfills or, if clean, used as filler elsewhere on the site.

unexpected discovery of asbestos. Still, Gordon says, the transformation of the property is amazing to watch. “It took about three months to clean up a site that had been polluted for just about forever,” he says.

Monsanto acquired the site in 1929 and continued to operate there until 1992. A *Boston Globe* story from 2014 quoted local residents who remembered smoke-belching plants prone to fires, explosions, and acid leaks. Many residents complained of a strong and persistent sulfur smell.

In the 1800s, Hawes Atwood, a founder of Boston’s Union Oyster House, owned the property and used to harvest shellfish there from the Mystic River. But those days are long gone. Environmental activists in the 1980s accused Monsanto of dumping toxic waste into the river and state officials accused the company of severely underestimating the size of a spill there.

Gordon deployed a robot-like machine along the bottom of the Mystic River to take pictures and obtain soil samples. The pictures and samples didn’t offer much good news.

“The report came back and said it was a biological desert,” Gordon says. “We didn’t find any living organisms in the top layer of the sediment. It was pretty bleak.”

Wynn is now preparing to dredge the river channel to remove contaminated sediments there. The dredging is

expected to start in September and end in February 2018. Wynn will also remove five barges abandoned in the river, some of which only emerge at low tide. Gordon says the barges will be sold for scrap.

Wynn is hoping to deliver a lot of patrons to its casino site via boat, so the dredging and the restoration of coastal vegetation is a way to make that option attractive to customers. Gordon says the water in the Mystic currently isn’t dangerous to humans, but it is hazardous to most plant life. He hedges on whether people will be water-skiing on the Mystic once the dredging work is done.

MYSTIC PRETTY BLEAK

“Let me put it this way,” says Gordon. “By cleaning up our site and cleaning up that inlet, it’s going to be dramatically better. What that means for the overall river, I don’t know. But we have a pretty rough site that’s going to get dramatically better.”

Ed Coletta, a spokesman for the state Department of Environmental Protection, says few people thought swimming would ever be possible in the Charles River, but now some environmental advocates are pushing for a designated swimming area. Coletta says the Wynn cleanup may have a similar catalytic effect on the Mystic River. “You have to start somewhere,” he says. **CW**

River rehab

Judy Grinnell, 77, of North Adams, spearheaded the Hoosic River Revival for nearly a decade. Now she's preparing to turn the project over to a new leader.

BY LINDA ENERSON | PHOTOGRAPH BY FRANK CURRAN

What's the Hoosic River Revival all about?

The Hoosic River trickles through downtown North Adams within old, concrete, inaccessible flood control chutes that protect the city but don't provide any other advantages. Our goal is to create a 21st century system that restores the river to a more natural state and creates a vibrant waterfront more conducive to recreation and commercial development.

Why is a vibrant riverfront so important? MassMoCA is one of the country's largest contemporary art museums. It has served as a catalyst for this struggling mill town, drawing thousands of visitors. But museum visitors do not stay. A lovely riverfront with shops, boating, biking, and hiking would complement what is becoming a cultural-recreational corridor.

How did you get involved? In the '90s, I worked as a sales manager for Storey Publishing in North Adams and traveled to conferences around the country. I went to San Antonio and marveled at the people, the general activities on the river. I went to Providence. Once again, I saw all these people walking and businesses thriving along the river. I didn't know every inch of the Hoosic as I do now, but I knew it was not attractive and it was certainly not an asset for the city. So (in 2008) I invited people to a meeting. I told them I do not know how to do this, I don't even know if it's

feasible, but I would love to find out if North Adams could have a dynamic riverfront. So a number of us started meeting regularly.

What brought people out? There are a lot of people who want North Adams to come back to life. When people started learning about cities like Greenville, South Carolina, where they had a renaissance once their river became an asset, they said, maybe that lady's not crazy after all. And maybe if we do take down the walls in some places, she's not going to drown the city.

Was that a fear? Oh yes, it continues to be a fear, even though we say all the time this will be a flood-controlled river. There are people my age who remember the floods, and feel very secure with these walls, even though four, 20-foot concrete panels have fallen and six are leaning. This is not a destruction. It's a modernization of the flood control project constructed 65 years ago.

What's your modernization entail? It's called the naturalization of the river. Instead of concrete chutes, you have steps going down to the river. Ninety-nine percent of the time, the river is flowing very low. But when there's a storm, the river can rise all the way up those steps. People can get out of the way and the city is



saved, but you still have a community asset.

Will the new design improve the water quality? Yes. Right now, the water gets too warm in the chutes. Fish need rocks and greenery and live things to eat, but nothing lives in these chutes. We will create a low-flow channel at the bottom of the chutes, so the fish can survive.

Will the water be clean? Cleanish. You can't eat the fish. We have contamination from the city's old water pipes. Cleaning that up will be part of our project.

The Army Corps of Engineers did the original flood control project in the 1950s. What do they think of your design? They told me that if they were doing a flood control project now it would look very much like what we are doing.

You are about to implement phase one. What does that entail? We will be naturalizing a half-mile section of the river close to downtown, restoring its natural meandering course and creating a bike/cross-country ski path, an urban orchard, and access to the river for boating and fishing.

How much will it cost? \$20 million. We've raised \$300,000 locally. The state allocated \$8.75 million in a bond bill, half a million of which was spent on the phase one design. The rest of the \$20 million we're hoping the state and the federal government will provide.

Will you naturalize the entire stretch of river through the city? No, that's not feasible. But we will be naturalizing as much as possible.

What is the total project cost? About \$150 million.

Why are you stepping back now? We have gone from dream to design. To go from design to development, the organization needs a leader with different experience, skills, and knowledge. The board has asked me to stay on as a member, and I think that's important for institutional memory and for continuity.

What are you going to do? I'll be spending more time with my eight grandchildren. My husband is almost retired. We've both been very active volunteers, but it's a really good time for us as a couple to do only the things we want to do. **CW**



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DATA-DRIVEN INSIGHT

The road less traveled

Distance from Boston is an obstacle to statewide office

BY JACK SULLIVAN

GREATER BOSTON IS the breeding ground for the state's top politicians. Going back to 1900, three out of every four constitutional officers came from within 25 miles of Boston. Go out 50 miles, and the percentage rises to 85 percent.

Most analysts say the state's political axis tilts toward Greater Boston because that's where the voters are, but lawmakers believe the longer commutes from western Massachusetts and Cape Cod may be responsible for the lack of geographical diversity at the upper echelon of state government. Overriding a gubernatorial veto, the Legislature in February approved a pay-raise package that included a \$65,000 housing allowance for the governor, ostensibly to make it easier for candidates from outside Boston to run for office.

When W. Murray Crane became governor in 1900, there weren't a lot of roads to Beacon Hill that he could use from his western Massachusetts home in Dalton. In fact, there weren't cars.

During his years in the State House—the independently wealthy Crane, whose family owned the paper company that prints US currency, was lieutenant governor from 1896 to 1899 before serving for four years as governor—he would stay at various hotels and clubs in Boston and travel back to Dalton to be with his family as often as he could by train, according to his great-granddaughter Josie Greene of Newton.

"I see telegrams from years when he would have been governor about being picked up at the train station in either Pittsfield or Coltsville from an 'express train,' so I'm

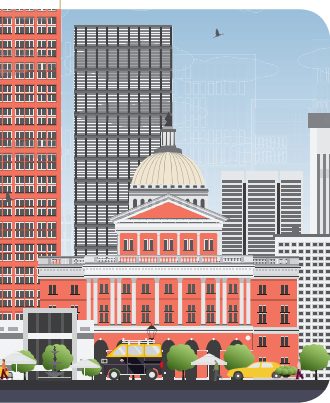
thinking he must have commuted a good deal," Greene wrote in an email after going through family records.

Between Crane's last day in office in 1903 and nearly 100 years later in 2001, when then-Lt. Gov. Jane Swift took over as acting governor for Paul Cellucci, there were no other governors from the Berkshires. In fact, of the 34 governors to serve since 1900, only two others—Calvin Coolidge from Northampton and Foster Furcolo from Longmeadow—lived more than 50 miles from Beacon Hill.

Swift, who hung a portrait of Crane in her office when she was governor because of their Berkshires connection, says the problem in electing people west of Worcester isn't distance as much as population and political support. "There's lots of barriers to running from a distance from Boston, chiefly a lack of a political base and lack of financial resources," she says. "Those issues are much bigger than travel."

"Boston has always been sort of the political nexus of Massachusetts," says Shannon Jenkins, chair of the political science department at the University of Massachusetts Dartmouth. She says it's easier for a politician to make a statewide name if he or she lives in the major media market in the state. "People from all over the state feel it's an unfair advantage," she says.

Political consultant Doug Rubin, president of Northwind Strategies, says most of the elected officials are from Boston because that's where the voters are. "The area within 25 miles of Boston is where most of the votes are—particularly in Boston and Middlesex County—for



Democratic primaries,” Rubin wrote in an email.

Swift, who came from North Adams and was the first pregnant governor in the country, said living out west was a lifestyle choice that would not have changed with a housing allowance.

“We found we preferred to raise our children back on the farm where my husband’s family grew up,” says Swift, who had siblings in the Boston area she would stay with on those nights she did not travel home.

The pay raise bill included a housing allowance only for the governor, even though the state’s other constitutional officers face the same issue. Since 1900, 35 percent of all constitutional officers have come from Boston or Cambridge and nearly two-thirds have come from within a 10-mile radius of Boston. The average distance to the State House from the city or town where each of the elected officials lived is 22.5 miles.

Less than 12 percent lived beyond 60 miles and no constitutional officer has called Cape Cod home since the 19th century. Attorneys general have come from towns with the closest proximity to Boston, with an average distance of 18.4 miles. Auditors have traveled the most distance, a little more than a marathon away at 26.5 miles. The secretary of state’s office has been dominated by Greater Boston politicians. Since 1900, those elected to the post from within five miles of Boston have held the office for all but 23 years, with two Boston pols, Michael Connolly and William Galvin, having a vise grip on the position since 1979. **CW**

FUN WITH NUMBERS

4 Different men named Hurley who held the Treasurer’s office from 1931-1947

20 Number of men who have held two constitutional offices

1 Number of women who have held two constitutional offices

22 Years that William Galvin has been secretary of state

0 Number of women who have been secretary of state

3.3 Average years for lieutenant governor in office

9.75 Average years for state auditor in office

5 Constitutional officers who have lost reelection but regained it the next term



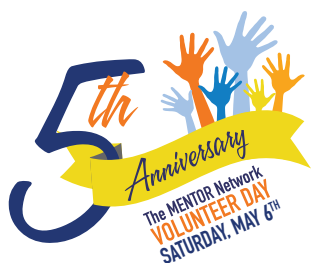
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The lunch-bucket Democrat's dilemma

Is Steve Lynch out of step with his own party?

BY SHAWN ZELLER

NO ONE WOULD question the wisdom of a gambler who put money on US Rep. Stephen Lynch securing another easy win next year. Still, the odds are changing a bit, in part because the demographics of his district are changing and the Democratic Party in Massachusetts is moving away from him to the left.

Since his election in 2001, Lynch has never faced a serious challenge. His district includes South Boston, the neighborhood where he grew up, as well as downtown Boston and the generally white, middle-class cities and towns to the south.

But the district is becoming more diverse. Quincy has a burgeoning Asian-American population. Brockton is a majority-minority community. And the downtown Boston areas of his district are adding moneyed professionals, as is his own South Boston neighborhood.

Political novice Brianna Wu says she intends to run against Lynch in the Democratic primary, telling voters that the congressman is an old Boston guy in a new Boston. The video game developer says it's time for new blood that better represents the region's evolution. And she says she is more committed to meeting the demands of the Democratic base that wants lawmakers to stonewall President Trump and the Republican majority in Congress at every turn, just as Republicans did to then-President Barack Obama. That would ensure that Washington remains enmeshed in a permanent re-election campaign but, progressives believe, gives Democrats a better chance of taking back the House next year.

Lynch isn't one to go there. In February, in fact, he stood up for Trump, telling WBZ NewsRadio that the media has been unfair to the president. Lynch has moved to the left over the years, but he still reflects the conservative Roman Catholic ethos of his upbringing. He rejects his Democratic col-

leagues' focus on racial and gender identity politics, their attention to "elitist" issues such as climate change, and their neglect of the type of people who sparked Lynch's own political rise, the ironworkers and union men he once worked alongside.

"I was an ironworker for 20 years," he says. "It's hard to get that out of your system and I don't want to. I try to spend as much time as I can with blue collar" people.

The irony is that Lynch shares the impatience of the Democratic Party's liberal base, but also seems vulnerable to its rage. Lynch was one of the first Democratic representatives to question the party's House leader, Nancy Pelosi of California, when he told WGBH's Jim Braude in April 2015 that Pelosi should give up her leadership post. He predicted, correctly, that she would not lead Democrats back into the majority in the 2016 election.

His views gained more adherents last year, after the Democrats' election debacle, when 63 House Democrats, including Lynch, voted for Pelosi's rival, Rep. Tim Ryan of Ohio, in the election for party leader in the current Congress. Still, Pelosi won overwhelmingly and her advocates framed the rebellion as the outcry of a group of mostly white men against an increasingly diverse Democratic party.

It's unlikely that Lynch will see his star rise in Congress as long as Pelosi is party leader and the Democratic caucus is dominated by progressive members. He's a backbencher and will probably remain one.

This fall will mark 16 years in the House for Lynch. Even if Democrats were to win a majority, he's still far from a committee chairmanship. Lynch is the eighth most senior Democrat on the Financial Services Committee, the fifth on Oversight and Government Reform. It was on the latter panel that

PROS & CON VERSATION

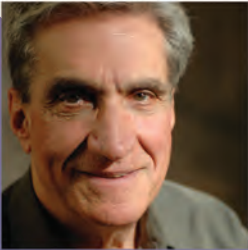
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WASHINGTON NOTEBOOK

he's made the most noise in recent years, criticizing Obama administration officials for being insufficiently attentive to terrorist threats. It didn't win him many friends on the left.

And Wu can make a case that Lynch is out of step with the party's progressive activists.

He was one of 47 Democrats (with Bill Keating, Massachusetts's 9th District representative) in 2015 to vote to tighten vetting standards for refugees from Iraq and Syria, despite Obama's pleas to Democrats to vote no. He more recently opposed Trump's efforts to curtail refugee admissions and explains that Trump's order was a blanket ban, while he voted in favor of tighter vetting.

"There's a huge difference in asking someone to wait a couple more weeks to come into the United States, versus saying you can't come," he says.

Lynch is one of three House Democrats still in Congress who voted against Obama's 2010 health care law. Lynch says he didn't like the absence of a government-run insurance option, as well as the law's tax on high-cost, high-quality insurance plans offered by some unions.

Lynch describes himself as personally "pro-life," even as he says he supports the Roe v. Wade decision.

He derides his party's focus on climate change, arguing that it has detracted from Democrats' appeal to Rust Belt voters.

For that, Wu, 39, intends to pillory him. "I think that climate change is the biggest challenge facing mankind and I think that the disaster we are running headfirst into is going to affect my generation and not Stephen Lynch's and it's deeply personal to me," she says.

Lynch was beaten soundly in the 2013 special election to fill the Senate seat left by John Kerry when Kerry became secretary of state, losing to his House colleague Ed Markey by 15 percentage points in the Democratic primary. Markey, in that race, stressed his progressive credentials and hammered Lynch for his breaks with liberal orthodoxy. Lynch was always a longshot in a statewide race, but Wu is hoping to use Markey's playbook in her challenge.

Lynch turned 62 in March. His once slick black hair is still neatly parted on the left, but is gray now. His ruddy complexion is marked by creases on his forehead and crow's feet that extend deeply from his eyes outward. Exiting votes on the House floor, his shoulders are slumped. He looks like someone who worked as an ironworker for two decades.

In deciding whom to challenge, Wu said she looked at who in the delegation was least likely to give Trump and the GOP a tough fight. "I looked at who is going to fight for us the least and that's very clearly Stephen Lynch," she says.

A former Arlington resident, Wu was harassed after she publicly advocated for women in the video game industry in 2014 and, though she remains in Massachusetts, doesn't want her current address made public. She says she plans

to move to the 8th District when her lease is up in July.

Lynch rejects the idea that Democrats should oppose Republicans just for the sake of opposing them in the hope that the strategy will swing the next election their way. He'd rather take half a loaf on the issues that could help his constituents than hold out for the whole thing down the road.

Specifically, Lynch says he's amenable to a deal that would allow US companies with overseas assets to bring those back to the United States at a reduced tax rate. Multinational companies based in the United States now stockpile money they earn abroad rather than bring it home and incur this country's highest-in-the-world corporate tax rate of 35 percent.

Lynch expects a tax break, setting the rate at 10 or 15 percent for funds brought home, could generate the \$1 trillion Trump wants to use to upgrade American infrastructure. "That's a big deal and I think that's doable," he says. "If [Trump] ever veered towards the center and started to make some progress, or reach out to Democrats on the issue of tax reform or infrastructure, I would be willing to work with the administration on that."

Late in March, however, Lynch revealed that as a moderate Democrat he had been invited to a meeting with Trump's director of legislative affairs and had declined to attend. "I

felt like they were trying to divide our party, so I declined the invitation," he told the *Globe* in a statement. "I am usually someone who looks for middle ground, but Mr. Trump's opening position, especially as reflected in his budget, has been so extreme that there is no middle ground."

Lynch says he's been busy with the new Congress and doesn't sound particularly worried about Wu. He expects that shoe leather and door-to-door campaigning, always his strong suit, will carry the day.

Back home in Southie, the city has torn down the Old Colony public housing project, where Lynch and his five sisters grew up with their parents in what Lynch remembers as "one of the poorest predominantly white census tracts in America." In its place are spiffy town homes that were named last November for Lynch's mother, Anne.

The town homes sit across Columbia Road from Joe Moakley Park, named for the longtime US representative who personified the Irish Boston Democrat and whose death in 2001 opened up the seat for Lynch.

Despite all of Boston's changes, Lynch, a Claddagh ring on his finger, still has roots that run deep in the city—and a political bearing that has been in tune with his urban-suburban district. He is betting any winds of change won't be blowing too strongly through it. **CW**

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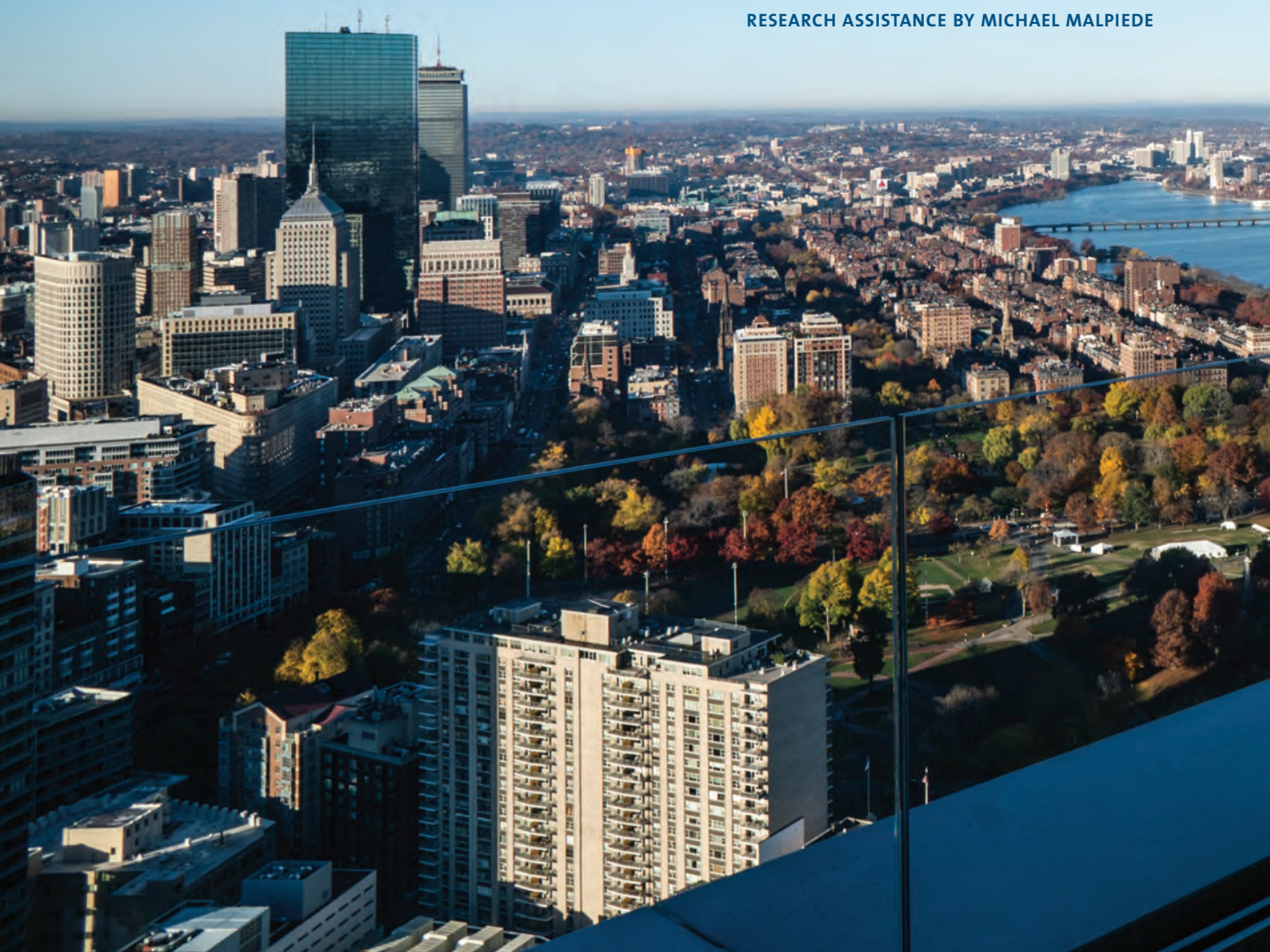
Harvard Pilgrim
HealthCare

The view from \$10m up

What the ultra-luxury invasion of
Downtown Crossing means for Boston

BY BRUCE MOHL

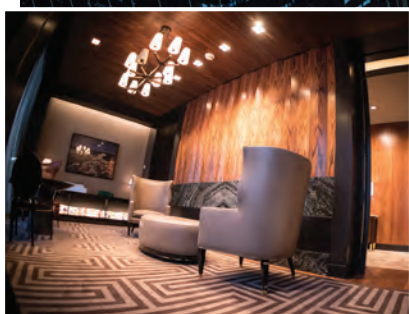
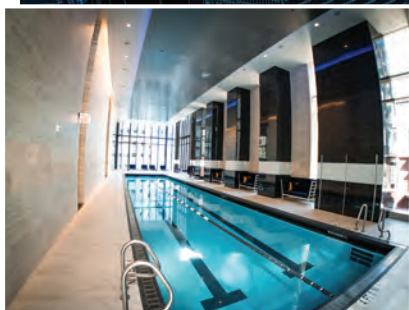
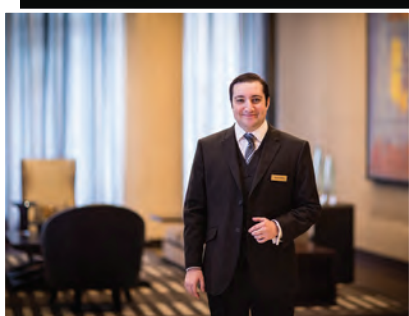
RESEARCH ASSISTANCE BY MICHAEL MALPIEDE





BOSTON'S DOWNTOWN CROSSING has always been a crossroads, a place where subways, streets, and people from all walks of life intersect. Foot traffic tended to be heaviest during the day, with the area emptying out at night after the stores shut down. But that's starting to change. Emerson College and Suffolk University have helped breathe new life into the area. And one of the most unusual demographic shifts in the history of Boston—the movement of super-wealthy people into the downtown core—is transforming the area into something resembling a neighborhood.

This isn't Back Bay or Beacon Hill, where Boston's understated wealth has traditionally been on display. This is Downtown Crossing, a place that for years has been rough around the edges. But now millionaires and billionaires from around the world are moving in, taking up residence in ultra-luxury buildings and slowly transforming what has been a retail backwater. Larry DiCara, the development lawyer and former Boston city



At 685 feet, currently the third-highest building in Boston.

Penthouse indoor terraces

Windows lever out 4 inches to let air in and give the façade an ever-changing look.

The tower has 13 corners.

Burnham Building, now home to Roche Bros, Primark, and office space.

councilor, says many cities across the country are experiencing an influx of wealthy people. But he is amazed that it's happening in Boston at Downtown Crossing. "This is beyond anything anyone would have imagined," he says.

No one has done more to change the neighborhood's

DNA than Millennium Partners, the development firm that has brought four luxury condominium buildings to the area over the last 16 years and is preparing to add a fifth nearby. Millennium opened the two Ritz-Carlton towers in September 2001 at the corner of Avery and Washington

Streets. Former Red Sox slugger Manny Ramirez signaled the arrival of downtown luxury living when he paid \$5.8 million for a 4,421-square-foot penthouse on the 37th floor, with spectacular views of the Public Garden, the Charles River, and the Back Bay.

Twelve years later, in 2013, came Millennium Place, located on Washington just across the street from the Ritz towers. It's a 15-story building with 256 ultra-luxury condos. The views are not as spectacular as the much-higher towers across the street, but the opulent condos sold quickly, despite the lingering effects of a recession that had construction lenders very nervous.

"We sold that building out in 16 months," says Richard Baumert, one of the partners at Millennium Partners. "At the time, it was the fastest-selling project in the history of the city. It was a validation that A, there's a market here, and B, there's a strong demand for this kind of product."

The success of Millennium Place made the decision to build the 60-story, 442-unit Millennium Tower up the street at the heart of Downtown Crossing fairly easy. Baumert says \$800 million of the tower's condos sold in 16 months, twice the sales volume of Millennium Place. "And since then," Baumert says, "we've achieved something that no project in the United States outside of New York City has done. We hit a billion dollars in sales."

The numbers are astonishing for Boston. According to records at the Suffolk County Registry of Deeds, the average sales price of a unit is \$2.4 million, with prices ranging from a low of \$810,000 for a unit on the 10th floor to a high of \$35 million for the 13,256-square-foot grand penthouse, which was sold unfinished to billionaire Texas private equity investor John Grayken.

A lot of people are hailing the tower as a sign of Boston's

Prices range from a low of \$810,000 for a unit on the 10th floor to \$35 million for the unfinished grand penthouse.

emergence as a world class city, and can't wait for the arrival of other buildings currently on the drawing boards, including another tower planned by Millennium Partners at Winthrop Square featuring retail, office, and condo units. To these people, the high demand for ultra-luxury condominiums is proof that cities are the business and cultural laboratories of the future. The administration of Boston Mayor Marty Walsh believes it can manage the

influx of the wealthy in a way that benefits the entire city.

But others are skeptical. There are worries about Boston becoming another San Francisco, a city with a reputation as a place where only the wealthy can afford to live. Many of the wealthy newcomers are from abroad, and some of them view high-priced condos as sound investments and have little interest in becoming part of the fabric of the city.

"What it says is that rich people from all over the world are interested in living in Boston," says DiCara. "You can say that's a good thing or you can say it's a bad thing. Whatever you think, it's a dramatic change in the demographics of the city."

IT FILLED A HOLE

There's a lot to like about Millennium Tower. It literally filled a 4-year-old, giant, gaping hole in Downtown Crossing left behind by a New York developer. And the tower helped make possible the restoration of the Burnham Building next door, home to the old Filene's and Filene's Basement and the current home of a thriving Roche Bros. supermarket, the retailer Primark, and office space.

Millennium Tower, at 685 feet, is the third-highest building in Boston, behind the Hancock and Prudential office towers in the Back Bay. The views are stunning. To the east is Boston Harbor, glimpsed through the forest of other downtown buildings. To the west are spectacular views of the Back Bay and Charles River.

The tower itself is one of the most visually interesting buildings in the city. Blake Middleton, a partner at Handel Architects in New York City and the lead designer of the tower, says the building pays homage to the Hancock tower without copying it. Instead of the flat, reflective face of the Hancock, Middleton says the Millennium Tower "shimmers in a different way" because it has 13 corners rather than four.

The extra corners give the building a distinctive look on the outside while giving residents more corner views on the inside. "That is probably the most unique feature of the building and it was done to maximize the living experience. People just absolutely love it," says Baumert.

The penthouse indoor terraces—"they don't stick out, they stick in," says Middleton—on floors 57 through 59 are another unique feature. From

the ground, they look like holes on each side of the building. But the terraces allow owners to step outside at 570 feet in the air. The great penthouse on the 60th floor has its own, larger uncovered terrace.

Residents on every floor can lever out their windows four inches, which gives them fresh air while creating an ever-changing face on the building.

The inside of the building is broken into three sections.

The first nine floors are devoted to a 25-yard long lap pool and hot tub; a massive fitness center, complete with studios for yoga and spin; locker rooms; a children's play area; an owner's lounge; a small restaurant area; a library; a 15-seat movie theater; rooms for spa treatments and hair styling; and space for service functions.

The building has two lobbies, one for the residences on floors 10 through 32 and the other for the grand residences and penthouses on floors 34 to 60. There is no 33d floor. Furnishings are high end. The kitchens on the upper floors come with a Sub-Zero wine cooler capable of holding 115 wine bottles, a Sub-Zero side-by-side refrigerator and freezer, a Wolf range and cooktop/microwave, a Millet dishwasher, and lots and lots of marble.

Ron Rakow, the city of Boston's assessor, says tax bills haven't gone out to individual owners at Millennium Tower yet, but he estimates the 442 condo units will yield \$10 to \$11 million in property taxes annually for the city. That's the equivalent of what Boston collects from 2,889 average Boston condos, Rakow says.

Millennium's Baumert says only 12 units remain unsold at the tower, but deeds for only 396 sales could be found at the registry. Those deeds indicate the units sold for a total of \$935 million. More than half (55 percent) of the owners paid cash for their units, and mortgages represented just a quarter of the overall purchase price.

The influx of wealthy people into the downtown core is accentuating income inequality in Boston. The average income for the highest-earning fifth of households in metro Boston was \$272,500 in 2015, which is 18 times higher than the \$14,900 average income of the lowest fifth, according to the Metropolitan Area Planning Council. The gap between high and low is increasing, primarily because incomes are rising at the top end. The average income of those in the top fifth has increased 13 percent since 2006, while the average income of those in the lowest fifth declined 1 percent.

Baumert says Millennium Tower has been good for Boston. "Setting aside a hole in the ground that has been removed, look at what's happened to this downtown area and look at the reinvestment in an area that had fallen on hard times," he says. "We have a saying that when you put \$850 million to a billion dollars into a neighborhood, good things are going to happen. And good things have happened around the neighborhood."

Sam Tyler, executive director of Boston's Municipal Research Bureau, a business-funded watchdog group, also sees the arrival of Millennium Tower as a positive sign for the city. "In my mind, it signifies confidence in downtown Boston. I hope it's a catalyst for other development downtown and not just luxury housing," he says.

Matthew Kiefer, a real estate attorney at Goulston & Storrs, says Millennium Tower signifies that people from all over the world want to live in the downtown core, that cities are the place where the future is being fashioned.

"It's a symbol of the new Boston and our emergence as a global city," he says. "But at the same time there is a veterans facility and a homeless shelter not far from the tower. People are often sleeping in doorways in that area. The tower is a visible sign that cities are becoming very income stratified and it highlights that we have to do something about that."

WHO'S LIVING IN THE TOWER?

Pamela Cushing runs a real estate firm called Live in Luxury, which caters to people looking for super high-end accommodations. Cushing not only talks the luxury-living talk, she walks the walk. She bought a unit at Millennium's Ritz-Carlton tower in 2005, moved to Millennium Place in 2013, and traded up to Millennium Tower in 2016. She says she will move to Millennium's Winthrop Square tower when that building opens. Her vice president, Haley Cutter, the mother of two small children, also lives at Millennium Tower.

Cushing says a Millennium building offers more than a beautiful home with a beautiful view. "It's a lifestyle," she says, referring to the movie nights and other functions organized for owners. Millennium calls its program La Vie, French for "the life." It has a similar program for children, called Petite La Vie.

Baumert says Millennium living gives owners what they want most. "They just want more time," he says. "To be at a facility that allows me to go to the gym, to take a swim, or go to the club, you're not spending a lot of time in your

'Walk up Washington Street, there's homeless people there. But Boston is changing, and it's changing for the better.'

car. Oh, and by the way, you're living in the middle of a city where everything is available to you walking out the front door. It enriches your life."

There's a Millennium Tower app that lets owners order their car, contact the concierge, or schedule a grocery delivery from Roche Bros. The app lets someone watching a Netflix show in their condo walk down to a tread-



Despite the influx of wealthy people into Downtown Crossing, people still sleep in doorways.

mill in the fitness center and pick up the show where they left off. Owners can also reach out to Michelin-starred chef Michael Mina and make a reservation for dinner (either in the club area of the building or at Mina's Pabu Boston restaurant on the ground floor), order takeout, or request one of his recipes. Owners can even make it look like they are doing the cooking by having the makings of a Mina meal delivered with all the prep work done. Just heat and serve.

Baumert says the owners at Millennium Tower are an eclectic group that includes young entrepreneurs barely out of their 20s, empty nesters from the suburbs, college students, and people from the medical, education, and high-tech fields. "These are all people who want a full-service lifestyle," he says. "I think the building is fairly representative of what this city has become. This city looks very different than it did 15 years ago. It does perhaps have a reputation of being parochial, but now, when I walk around this town, this is a melting pot. This is like any large city around the world."

That may be so, but many Bostonians, including many walking along Washington Street outside, would probably have no idea what a full-service lifestyle means, or what it would cost. The *Boston Globe* recently reviewed Mina's ground-floor restaurant, the chef's 30th, and came away with a case of sticker shock. The review said a bowl of fish soup cost \$59 and a can of beer \$18.

Baumert estimates that for 10 percent of the building's owners their condo is their second or third home. Cushing thinks that number may be higher. She estimates more than 80 percent of the residents live in their home at least part of the time, while about 15 percent made the purchase

as an investment. She also confirms that some college students live there, the sons and daughters of wealthy people who see a condo purchase as a way to simultaneously provide housing for their offspring and make an investment. She says the students attend Emerson College, Suffolk University, Northeastern University, and Babson College.

Using data gathered from deeds, the internet, and corporate and other public records, *CommonWealth* tried to track down the 396 identified condo owners at Millennium Tower. The process is admittedly imperfect, but the research suggests 57 percent of the owners are from the United States, 34 percent from abroad, and the other 9 percent either couldn't be identified or their identity was hidden behind a trust or limited liability company.

Forty-six percent of the owners are either from Massachusetts or previously owned property here. Twenty-three percent are from China, with Kuwait and Taiwan accounting for 2.8 percent and 2.5 percent of the owners, respectively. Many foreign buyers appear to work through a handful of local middlemen who handle the purchase for them. Millennium also caters to foreigners with websites in Mandarin.

Many owners hail from the business world. Michael Dell, the founder and CEO of Dell Technologies in Round Rock, Texas, owns a \$10.9 million penthouse. Tim Steinert, the general counsel for the Alibaba Group in Hong Kong, is listed as the contact for a limited liability company that bought two units. And Claudine Prowse, a vice president of strategy at Inotek Pharmaceuticals in Lexington, owns a \$1.6 million unit on the 23d floor. The tower is also home to bankers, surgeons, and an unusually large number of people in the dentistry field.

Six limited liability corporations with ties to two Chinese immigrants purchased a total of 22 units in the building for \$22.6 million. The *Boston Globe* reported in August that the couple, who live in Concord, bought the units on behalf of investors in China. The *Globe* reported that they came to this country on an EB-5 visa, which is offered to foreigners who invest between \$500,000 and \$1 million in a US-based business employing at least 10 people. Paula Grenier, a spokeswoman for Homeland Security, said the agency does not comment on EB-5 applicants, their businesses, or their investors.

One sign of the strong demand for ultra-luxury housing downtown is the resale of 21 condos at Millennium Tower in less than a year. The units sold for a total of \$6.3

million more than their original purchase price, which works out to an average gain of \$301,673 per unit. Five owners put deposits down on their units during the presale and then resold them on the very same day they received their deeds. The biggest gain in percentage terms was the resale of Unit 2011, which was acquired and resold on the same day at a profit of \$350,000, a 36 percent gain. Unit 2803 had the largest dollar gain; it was resold six days after the original purchase at a profit of \$630,000, or 23 percent.

Cushing bought a unit on the 12th floor of Millennium Tower in July for nearly \$1.3 million and then resold it in September for nearly \$1.5 million. She then purchased a unit on the 34th floor for nearly \$1.4 million.

The real estate agent says Downtown Crossing remains rough around the edges. “Walk up Washington Street, there’s homeless people. They’re still there,” she says with a hint of annoyance. “But Boston is changing, and it’s changing for the better. We’re becoming a world class city. Millennium has single-handedly changed the landscape of the downtown area. There will be more buildings like this.”

JACKSON VS DILLON

Tito Jackson looks up at Millennium Tower and sees a problem. Sheila Dillon, Mayor Marty Walsh’s director of neighborhood services, looks up and sees a solution to that problem.

Both are worried about low-income and middle-income residents being priced out of Boston housing. Both are worried about the future of Chinatown. And both say they are worried about Boston becoming another San Francisco. But that’s where the agreement ends.

Jackson, a Roxbury district city councilor challenging Walsh in this fall’s mayoral election, applauds Millennium Partners for filling the hole in the ground at Downtown Crossing and says a tower there is consistent with normal urban planning concepts. But he says the city’s housing priorities are skewed in favor of ultra-luxury housing.



John Grayken and his wife, Eilene, donated \$25 million to Boston Medical Center for addiction treatment. At right is Boston Medical Center CEO Kate Walsh.

“We’re building too many Millennium Towers,” says Jackson, who points to the next Millennium Partners tower at Winthrop Square. “Fifty percent of the city of Boston’s residents make \$35,000 or less, so the housing that is being put up in the city, most of it is not affordable for the people who live in the neighborhoods of Boston.”

In a red-hot real estate market, Jackson says, the city needs to squeeze developers of luxury housing for more money to build affordable housing. “What is the city of Boston going to look like in 10 years if we’re not thoughtful about building workforce housing for folks that can’t afford a \$35 million penthouse,” he says.

The Massachusetts Housing Finance Agency, a state authority that helps finance mixed-income rental housing, says the big challenge in the current market is to create housing for middle-income residents. Timothy Sullivan, executive director of the agency, says luxury developers are having no problem financing and selling their buildings, while affordable housing is being built with federal, state, and local subsidies. But he says housing for the broad middle class is very difficult to build.

Dillon, sitting in her office at 25 Court Street, nods her head at all the concerns, but says she’s not troubled by the growth in ultra-luxury housing. “I’m not seeing the big downside,” she says.

First, Dillon says, there aren’t many Millennium Towers being built in the city.

Second, she says, new luxury housing is easing demand

for housing elsewhere in the city, putting downward pressure on rents. Her agency's data indicate more than 12,000 new, high-priced rental units have come onto the market since 2011. Demand is strong for those units, with average rents in central Boston (which includes Downtown Crossing) rising from \$3,581 a month in 2015 to \$4,488 a month in 2016, a 25 percent increase. Rents in citywide housing built prior to 2011, however, dropped by 4 percent over the same time period, suggesting people are moving into the newer units and leaving behind vacancies in older buildings that are easing the demand crunch.

Third, she says, developers of ultra-luxury housing are breathing new life into the city and either building affordable housing themselves or making millions of dollars in mandated payments to a city fund that is used to finance affordable housing. Since 2014, the city's fund has collected almost \$49 million. Millennium Partners paid \$15 million into the fund in conjunction with the tower development.

"For the advocates who say luxury this and luxury that, the luxury units are giving us a ton of cash to create affordable housing throughout the city," Dillon says.

As for workforce housing, Dillon says she is encouraged by the fact that almost as many permits for housing are being pulled in Boston's non-core neighborhoods as in the downtown area. She acknowledges someone making \$35,000 a year may not be able to afford these units, but says they are affordable for two people who are each

What is Boston going to look like in 10 years if we're not thoughtful about building workforce housing for folks?

making \$40,000 a year.

The housing crunch is being driven by a sharp increase in new residents. Boston had 618,000 residents in 2010 and was up to 677,000 last July. By 2030, many are predicting the population could be anywhere from 709,000 to 723,000.

"It is supply and demand to some degree," Dillon says of the challenge facing Boston. "This isn't a phenomenon that is just happening here. San Francisco, Seattle, DC, New York, they're all seeing population increases at a very rapid rate and they're all having issues with their housing. They don't have enough of it."

Tim Reardon, director of data services at the Metro-

politan Area Planning Council, raises another concern. He says wealthy people are moving into Boston but not using their units in the same way as other people. "We're building lots and lots of units, but more and more of them are sitting vacant," he says. "That's a sign of foreign speculation."

Reardon says Census data indicate the supply of units for sale or rent in Boston in 2015 was less than half of what it was in 2010 (5,100 versus 12,000). There have also been big increases in the number of units sold but not yet occupied and units being held for seasonal or occasional use.

It's unclear how many units in the Millennium Tower are occupied year-round, but it's a fair bet a significant percentage sit empty for large chunks of time. Grayken, the private equity billionaire who owns the grand penthouse, renounced his US citizenship years ago and became a citizen of Ireland for tax reasons. He can't live in the United States more than four months a year.

Residents of the tower will be allowed to claim a residential exemption of up to \$2,400 on their property taxes later this year if their condo is their primary residence. Down the street at Millennium Place, two of every three residents don't claim the residential exemption. That may mean they are so wealthy they couldn't be bothered claiming a \$2,400 tax break, or it may mean they don't live there that much.

Dillon says she hasn't seen reliable data on units sitting empty, but she hopes that isn't happening. "We need the folks moving in to get involved," she says. "We want them to be involved in the neighborhood associations. We want them to open their checkbooks and support local organizations. If folks don't move in, we lose that. Or if they move in and they just spend time in their unit—and not in their neighborhood—then that's not going to benefit Boston."

Dillon says the influx of wealthy residents into Boston doesn't have to be a negative for the city. In many ways, it is a positive. The newcomers are bringing vitality to the downtown, filling the city's coffers with money, and spurring economic activity. Grayken and his wife, the owners of the grand penthouse at the Millennium Tower, are only part-time residents, yet they recently donated \$25 million to Boston Medical Center for the creation of an addiction treatment center.

Still, it's worth asking where all this wealth will lead the city, and whether the income inequality for which Boston is known will only get worse. Will Boston be a melting pot of all types of people, or a community of haves and have-nots?

"We have to be realists," Dillon says. "We have to assume that all cities, including Boston, change. The world changes. But we have to be insistent that Boston remains Boston. It's up to all of us to figure out what the right balance is." **CW**



Voc-tech tension

Massachusetts vocational schools
are an education success story,
but are they shutting out students
who might benefit the most
from hands-on learning?

BY MICHAEL JONAS | PHOTOGRAPHS BY MARK OSTOW

Kelsey Clark, a senior at Greater New Bedford Regional Vocational Technical High School, is showing a visitor work from her graphic design portfolio. There is a pointillism-style poster she drew for assignment to promote a rock concert (she says it left her practically drawing dots in her sleep). A brightly colored infographic poster that she designed documents the benefits of physical activity—a natural topic of interest for the three-sport varsity athlete who competes on the school's soccer, basketball, and lacrosse teams.

A friendly 17-year-old with an easy smile, Clark says she loves the mix of traditional academics and career-focused technical education at the school, and she has excelled at both.

"It's the perfect fit for me," says Clark, who was the salutatorian—second in her class—at the Catholic middle school she attended before arriving at New Bedford voc-tech in 9th grade.

Last summer she had an internship through the school designing brochures in the market-



Students in the carpentry shop at Greater New Bedford Regional Vocational Technical High School.



"It's the perfect fit for me," says senior Kelsey Clark.

ing department at St. Luke's Hospital in New Bedford. In the fall, she is heading on a merit scholarship to Stonehill College, where she plans to pursue her passion for art and design with an eye toward working in marketing or advertising.

Clark doesn't fit the preconceived idea of a vocational school student. But today's vocational-technical schools in Massachusetts are also a far cry from the "dumping ground" they were often characterized as in the past, places to steer non-academically oriented kids who were struggling to keep up in school.

Vocational schools are, in fact, emerging stars of the state's education system. They have been on a steady rise that has many of them now outperforming their conventional counterparts on standardized tests and graduation rates. Today, they find themselves in the sweet spot of education thinking, as terms like "career pathways" and a new appreciation for applied learning that might connect to future employ-

ment take hold. Vocational schools are drawing thousands of academically solid students, and sending many of them on to four-year colleges as well as to two-year community colleges and other post-secondary training programs.

But their success has given rise to a troubling situation that would have been hard to imagine years ago: The demand for seats at vocational schools is now so great that some of the students who in the past would have gravitated to them—those drawn to a particular trade or to the idea of hands-on learning, or not overly engaged by full-time "book learning" in a conventional school setting—are getting turned away.

State regulations allow vocational schools to admit students on a competitive basis, and critics say that is screening out the very kids who might most need the applied learning of vocational schools to spark their interest in school and stay on track.

"The right kids aren't getting in," says Scott

Palladino, principal at Wareham High School on Cape Cod. “The kids who need to learn a trade, those hands-on kids, aren’t getting accepted.”

“We talk about no child left behind,” says Haverhill Mayor James Fiorentini. “We are excluding thousands of kids from getting the education they deserve by running our vocational schools like elite prep schools.”

That may be overstating things. Vocational schools enroll plenty of kids who are in the middle of the academic pack, or who lag behind it. And the schools, taken as a group, enroll a higher percentage of special needs students than Massachusetts schools overall. But there is also more than a kernel of truth to what Fiorentini says.

Some vocational schools have very low enrollment of special needs students and English language learners, a pattern for which some charter schools have drawn criticism. And vocational schools have become a particularly favored choice for middle-class families in urban communities where district high schools struggle with high dropout rates, disruptive students, and other challenges.

Many of the schools have solid academic offerings and boast state-of-the-art facilities for vocational programs, supported by a state funding formula that sends vocational schools about \$5,000 more per pupil than district high schools.

While some vocational schools have unfilled seats, many of those serving the state’s Gateway Cities—former industrial centers such as New Bedford, Worcester, and Fitchburg—are now oversubscribed. According to a report issued last year by the Massachusetts Budget and Policy Center, 3,200 students were on waiting lists at Massachusetts vocational schools for the 2015-16 school year. Gateway Cities account for roughly one-quarter of all public school students statewide, but they were home to 53 percent of those unable to land a spot at a vocational school.

The high demand for seats has created what a 2016 report from Northeastern University called a “peculiar paradox” in Massachusetts vocational education.

“Some still think that these schools are reserved for students who cannot succeed in the state’s comprehensive high schools,” said the report. But vocational schools are, in fact, now in such demand, it said, that they are leaving behind students “with lackluster academic or disciplinary records, often with fewer family resources, who have historically benefitted the most from career vocational education, and who now must compete for vocational school slots with better-prepared students—many of whom are college-bound.”



Makaelah Saunders, a medical assistant student at New Bedford vocational-technical school, hones her injection-giving skills.

“It’s a Catch-22, there’s no question about it,” says David Ferreira, the executive director of the Massachusetts Association of Vocational Administrators, a statewide organization representing vocational school leaders. “What’s clear is some of the youngsters who used to be able to get into vocational schools no longer get in because it’s ability-based and is based on a set of standards approved by the Department of Education.”

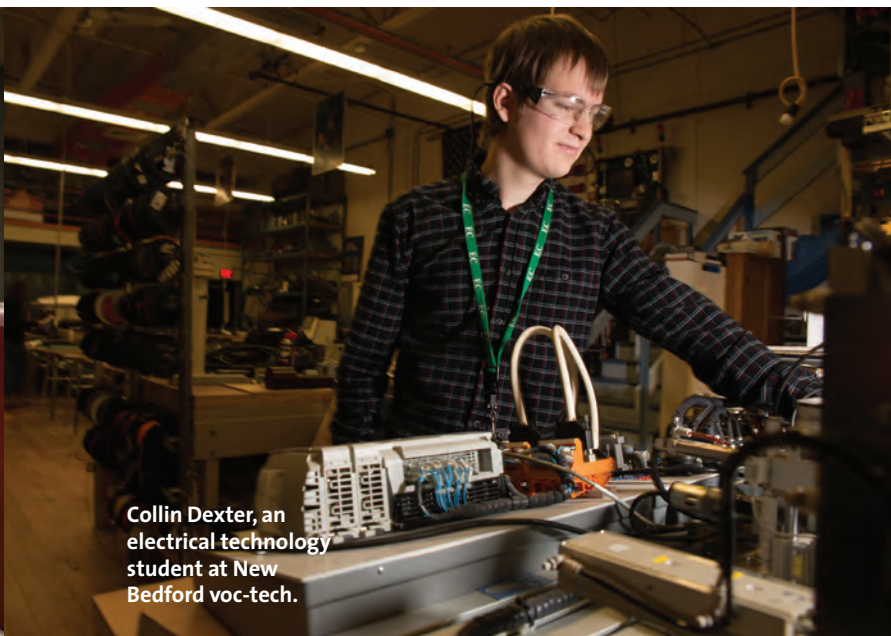
Mitchell Chester, the state education commissioner, says, “I think of it sometimes as, our vocational schools are victims of their own success.”

VOC RISING

If there was a single turning point that sent the state’s vocational schools on their upward trajectory, nearly everyone agrees it was passage of the 1993 Education Reform Act. A 1984 federal measure, the Perkins Act, pushed vocational schools to beef up the academic side of their program. But it was the state law passed a decade later that provided the clear incentive for vocational schools to take academic outcomes more seriously. The law brought millions of dollars in new education spending, but also demanded accountability for results, introducing the MCAS exam in math and English, which all public school students in the state had to pass in 10th grade to receive a high school diploma.

Many vocational school leaders reacted with alarm and lobbied against being held to the same standard. Their schools were not focused on academics, they said, and their students were not, for the most part, looking to continue their studies beyond high school. But state officials held the line, insisting that there would be no exemptions from the new graduation requirement.

For vocational schools, rather than proving to be their undoing, introduction of the new graduation require-



Collin Dexter, an electrical technology student at New Bedford voc-tech.

ment became a defining moment that led them to dramatically ratchet up their academic programs and standards, moves that have a lot to do with why the schools are in such demand today.

“What looked like a curse ended up being a blessing,” says Robert Gomes, community outreach coordinator at Greater New Bedford voc-tech. “We had to meet the challenge.”

Today, MCAS pass rates at vocational schools are generally higher than at many traditional high schools.

‘Some of the youngsters who used to be able to get into voc schools no longer get in.’

Many vocational schools redoubled their focus on academics, putting particular work into helping students who arrived below grade level in basic math and English skills. Dropout rates, meanwhile, are far lower than at comprehensive schools, with an annual rate of 0.7 percent at regional vocational schools compared with 2.2 percent at traditional high schools.

State regulations allow vocational high schools to admit applicants using up to five criteria: middle school grades; attendance; behavior record; an interview; and guidance counselor recommendation. No standard can count for more than 50 percent of the admission score. In practice, grades, behavior, and attendance are the three factors vocational schools generally weigh most heavily.

Critics of the selective admission system say choosing students based on those factors clearly explains some of

the better outcomes at vocational schools, especially those that are oversubscribed.

The mainstays of the state’s vocational education system are 28 regional schools, each of which operates, in effect, as its own independent school district. There are also nine vocational schools operated by school systems, primarily in larger urban districts; two agricultural vocational schools; and a variety of vocational programs offered within traditional comprehensive high schools.

In all, there were 48,000 students in some type of vocational program in the state in 2016, or roughly 17 percent of all high school students, according to the Mass. Budget and Policy Center report.

The schools have a 50-50 divide between academic and vocational programming, with many using a schedule of alternating weeks between the two components.

Part of the growing appeal of vocational education, say school leaders, is the flexibility and options they give students. Many of the program areas they offer, such as electrical shop or medical assistant training, can lead directly into the workforce or apprentice programs. While good jobs generally require some type of post-secondary training, a majority of job openings in the state between now and 2022 will require something less than a four-year undergraduate college degree.

But those same electrical shop or health career students also have the foundation to go on to a four-year college for electrical engineering or to nursing school. Given the soaring cost of higher education, vocational students and their families often feel they are getting a head start and a clearer sense of a career path following college.

CREAM OF THE CROP

It’s a Wednesday evening in mid-March and more than 500 people are seated at long tables adorned with white paper tablecloths in the sprawling cafeteria at New Bedford’s regional vocational school. The occasion is the school’s semi-annual advisory board meeting. Vocational schools are required to assemble advisory boards made up of practitioners in the fields in which they offer programs. The board members, many of whom supervise vocational students on field internships, provide feedback on the school’s curriculum and make sure the programs are keeping up with the latest changes in training and technology.

There is an added buzz in the air because Gov. Charlie Baker is the guest speaker at the dinner.



New Bedford voc-tech superintendent John O'Brien:
“We’re the lifeblood of Southeastern Massachusetts.”

Baker has become a huge fan of the state’s vocational schools, regularly extolling them as the unsung workhorses of the K-12 world and a vital part of the state’s workforce development system. “I’ve always said Massachusetts lives by its wits,” he tells the gathering. “But in the end, for us to be truly successful, *you* have to be successful.”

By almost any measure, the New Bedford school is just that. The regional voc-tech school accepts students from New Bedford, Fairhaven, and Dartmouth, with well over half of the 2,170 seats taken by New Bedford residents. While vocational schools statewide send almost 60 percent of their graduates on to post-secondary education, more than 80 percent of New Bedford voc-tech grads pursue further education. The school is also an indispensable pipeline to the workforce needs of the South Coast economy.

“This school is a jewel in the region. It puts out a lot of quality craftsmen,” says Norman Fredette, owner of Norman’s Enterprises Construction Corp., an Acushnet contractor, and member of the advisory board. “They show up on time. They learn the work ethic,” he says of the students who have done field placement internships at his company.

“We’re the lifeblood of Southeastern Massachusetts,”

says James O’Brien, the school’s superintendent.

No one disputes that fact, least of all Jon Mitchell, New Bedford’s mayor, who praises the school in remarks at the dinner before Baker. But Mitchell is also one of the loudest voices saying vocational schools are not fairly serving students who might most need the high-quality programs they provide.

“Voc-tech schools have every reason nowadays to recruit the highest performing and best-behaved students. That practice is leaving out in the cold the types of students who had most benefitted from vocational education,” he says in an interview. “Someone who for whatever reason might not have thrived in a mainstream classroom but who could take apart a car—those who fit that profile are the ones who would thrive in a vocational setting, and those types of kids are not getting in now.”

O’Brien says behavior and attendance in middle school are the most important admission factors, and that students who have good records on those will generally be accepted even if they were not academic standouts.

Lower-achieving applicants do get accepted, but the school’s admissions profile is heavily skewed toward higher-achieving students when compared with students entering district-run New Bedford High School.

Mitchell provided data from the New Bedford school department showing a breakdown of standardized test scores for all the city’s 8th graders from the 2015-16 school year based on whether they were admitted for 9th grade to the vocational school last fall or landed at New Bedford High School, which, like all district public high schools, must take all students.

New Bedford students took the PARCC test, which was being piloted as a possible replacement for the MCAS exam and divides scores into five categories. Of the 300 students admitted to the regional vocational school, 44 percent scored in the top two categories in English, compared with 27 percent of the 394 students who enrolled at New Bedford High School. For math, 41 percent of those admitted to the voc school were in the top two categories, while just 13 percent of those heading for the city’s district high school scored at those levels.

There are also very big differences in the populations of special education students and English learners. At New Bedford High School, special education students account for 19.7 percent of the student population, while 20.8 percent are English language learners. The comparable figures at the regional vocational school are 6.4 percent and 2.7 percent.

“It’s just hard to justify that disparity,” says Mitchell.

Statewide, the numbers flip. Nearly 25 percent of the population at the state’s vocational schools are special education students compared with 17 percent at conventional schools, according to the 2016 Northeastern University

report.

Many vocational schools do have high special ed populations. At Greater Lowell Technical High School, for example, which draws 85 percent of its students from Lowell, special education students account for 21.6 percent of the student body, while they make up only 10.7 percent of students at Lowell High School.

But New Bedford voc-tech is not alone in enrolling far fewer of these students than the district systems it draws from. The same pattern is true, for example, of Diman Regional Vocational Technical School in Fall River and Blackstone Valley Regional Vocational Technical School in Upton.

The Montachusett Regional Vocational Technical School in Fitchburg has a lower percentage of special education students than all 12 of the feeder school districts it serves, and lower percentages of English language learners and students from low-income households than 10 of the 12 districts.

“They’re creaming,” says Mayor Mark Hawke of Gardner, one of the larger communities in the Montachusett district, who has been trying for years to call attention to what he says is an uneven playing field when it comes to vocational schools.

O’Brien, the New Bedford vocational superintendent, says he has worked with the local immigrant assistance

Their admissions policy ‘flies in the face of what a public school should be doing.’

center to spread the word about the school among English language learners and has gone on the city’s public access television. “I don’t want to close the door on any student,” he says.

O’Brien says part of the problem is the New Bedford school system is no longer allowing him or his staff to make recruitment presentations to 8th grade students. Districts concerned about losing students from their own high schools have “built an iron curtain around their middle schools,” says O’Brien, a tug-of-war between district systems and vocational schools that he says is playing out in many Gateway Cities.

Tensions over vocational school policies have been brewing for several years. The conflict prompted Chester, the state education commissioner, to appoint a task force in 2013 to look at vocational school policies. The group included a handful of district superintendents and vocational school leaders as well as Hawke, the Gardner mayor.

“The vocational schools benefit from an admissions policy which, to a lot of us, flies in the face of what a public school should be doing,” says Andre Ravenelle, superintendent of the Fitchburg schools and a member of the task force. “No one is doing anything illegal. But the regulations and the law around this are flawed, and what we’ve been trying to do is get somebody to look at this issue.”

The state made a few minor changes to regulations following the task force meetings. But district leaders say it amounted to tinkering at the margins. “The most transformative suggestions we were making never saw the light of day because the system is so entrenched,” says Ravenelle.

The biggest potential change would have been to move vocational admissions to a lottery system, the process used by oversubscribed charter schools. It would not solve the problem of more demand for vocational seats than supply, but it would mean all students would have an equal shot at gaining a spot.

Bob Dutch, superintendent of the Upper Cape Cod Regional Technical School in Bourne, says he asked area employers who sit on his school’s advisory board what they thought about the idea of a lottery admission system. “They were strongly opposed to that,” he says. “They certainly don’t hire by lottery, and wouldn’t want us having students, who are their future workforce, come here by lottery.”

Any talk of replacing the competitive admission system based on arguments of equity and fairness runs head-on into the argument that vocational schools operate with dual missions. They are public schools designed to provide valuable skills and education to high school students, but are also engines of the state economy and talent pipeline.

“Our mission is to develop the workforce for the local economy,” says Dutch.

Still, he acknowledges the dilemma posed by today’s strong demand for vocational seats. “There are students who could benefit by what we do who aren’t getting the opportunity,” says Dutch. “One of the things that concerns me is that there are students who 15 years ago applied to Upper Cape and were able to get in who today are not able to get in. I look at those graduates. They own businesses, they’re paying taxes in the community. What would have happened to them if they had not come to Upper Cape?”

GROWING THE PIE

The air is thick with the smell of diesel fuel and auto shop supplies on the ground floor of South High School, a large, district school in Worcester. If there’s a way forward out of the conflict over vocational education in the state, part of the answer lies in the warren of workrooms here.

This is the third year of a diesel technician program



New Bedford Mayor Jon Mitchell says vocational schools are leaving behind kids who most need hands-on learning.

at the school, and interest in it is strong. “It’s an incredible program. It’s really taken off,” says Diane Lynch, the school’s principal.

This year, 27 students are enrolled. School leaders hope to have the diesel program approved by the state as a full-fledged vocational offering, a designation of curriculum and facilities quality that also triggers the roughly \$5,000 in additional per pupil funding that vocational programs receive.

There is a desperate need for diesel technicians in the area, says Shawn Baillargeon, the course instructor. A student who graduated last year recently stopped by and said he’s making \$28 an hour as a certified diesel mechanic. “That’s pretty good for a high school graduate,” says Baillargeon.

Programs like this are a key part of the strategy to address the strong demand for vocational education. Given the high costs of construction, and projections of flat or declining school enrollment in many communities, state officials say the answer is not to build more vocational schools, but instead to have district high schools add more vocational and technical programs and to make better use of existing voc-tech facilities through partner-

ships with district high schools.

“I think the solution to this ultimately is going to be expanding vocational programs in comprehensive high schools and building more career pathways generally across the Commonwealth,” says Jim Peyser, Baker’s secretary of education.

The timing of the diesel program’s start at South High School could not have been better for Mark Magaw, a soft-spoken 15-year-old who eagerly signed up for the tech classes when he arrived last school year as a freshman.

Magaw is exactly the sort of student some say is getting left behind in today’s era of competitive vocational education admissions. In 8th grade he applied to Worcester Technical High School, the city’s highly regarded district-run vocational school, but wasn’t admitted, he says, “due to some grades.”

Several of his classmates in the diesel program also got turned down by Worcester Tech, which has the biggest waiting list of any voc school in the state and has seen gains that are so impressive it drew President Obama as the school’s graduation speaker in 2014.

It was a particularly tough blow for Magaw, who spent spare time in middle school at the Midas repair garage his father manages in nearby Marlborough and had his heart set on pursuing auto mechanics at Worcester Tech. “I used to help him in his shop,” he says.

“I think they’re very grateful there’s a program here,” Lynch, the South High principal, says of Magaw and his classmates.

Maureen Binienda, superintendent of the Worcester public schools, says the pendulum had swung so far toward the idea of all students aiming for four-year college that schools were ignoring those for whom that might not be a good fit.

“Here we are in 2017, we’re saying ‘college and career ready,’” says Binienda, citing the new, more balanced mantra of US high school education. “We have the college, but where is the career?” she says of the heavy college-going focus of traditional high schools, many of which shut down vocational programs in recent years.

Vocational schools in Massachusetts are thriving precisely because they are mastering that dual standard, giving students practical hands-on experience that can lead directly into good paying jobs or training programs in the workforce, but also equipping them with the solid academic foundation needed to go on to two-year or four-year colleges if that’s the path they choose. Traditional comprehensive high schools are playing catch-up.

State officials acknowledge that students interested in vocational programs—especially those from more disadvantaged backgrounds in Gateway Cities—are being left behind by today’s competitive-admission voc-tech schools.

They say they’re willing again to examine voc-tech

admissions policies, but emphasize that the real solution is to grow the state's overall vocational education capacity. "Ultimately this is about how do we expand the pie as opposed to figuring out how to better sort the kids into one program or another," says Peyser, the state education secretary.

A \$1 billion economic development bill signed last year by Baker included \$45 million, to be awarded over three years, for capital costs for vocational programs at comprehensive high schools, vocational schools, and state community colleges.

The state is also promoting more collaboration between district and vocational high schools. Massachusetts was one of 10 states recently awarded \$2 million grants to support those efforts through a program called New Skills for Youth, jointly funded by JPMorgan Chase and the Council of Chief State School Officers. The state also recently awarded \$700,000 grants from another program to seven schools to promote vocational-technical partnerships.

Worcester received a \$122,500 grant that is bringing 15 students from the city's alternative high school to Worcester Tech for a class in basic machining for advanced manufacturing. Another program being developed would bring 62 district high school students each semester to Worcester Tech for semester-long afternoon programs in

State officials say the answer is expanding the vocational pie, not slicing it differently.

four areas—allied health, manufacturing, technology, and construction—all of which can lead to industry-recognized certificates.

Upper Cape Cod Regional Technical School received \$117,000 to develop a vocational program in facilities management that it will operate from 2:30 p.m. to 5:30 p.m. for students who attend the five district high schools in the region it serves.

The efforts look like steps in the right direction, but they still confer a kind of second-class status on students not accepted to full-time voc schools. Palladino, the Wareham High School principal, says he hopes students at his school will take advantage of the program at Upper Cape Tech, but wonders if a student who may already not be excited by school will want to add more hours to his or her school day. "I question how many kids at Wareham High School are going to be willing to go there in the afternoon," he says. "I hope I'm wrong."

In March, Fitchburg High School submitted an application for state approval of a vocational program in radio and television broadcasting. The school's principal, Jeremy Roche, shares the frustration of Ravenelle, the district superintendent, about the regional vocational schools drawing better students while leaving others behind. But he says district schools can't just sit on their hands.

"We have to also take some of that onus of responsibility as well," he says. "If families are saying, 'your school doesn't offer enough to prepare my kid for college and career,' we have to do a better job of serving the students and being as creative as possible."

If adding more career and technical programs to traditional high schools helps to address some of the concerns raised about vocational schools leaving kids behind, it is also raising new potential points of conflict.

State regulations don't allow district high schools to add vocational programs if their community is a member of a regional voc-tech school offering that program. The rationale is to avoid saturating an area with an oversupply of graduates trained in a specific field. But the policy didn't seem to anticipate students at district high schools who were shut out from programs because they weren't admitted to a voc school, or that some vocational schools would be unable to meet the workforce needs of area employers.

Fitchburg High School recently started a health care program, but it may run into obstacles if it applies to be a state-approved vocational program—and gain the \$5,000-per-pupil in added school funding that comes with it. Ravenelle, the district superintendent, says the restrictions are unfair since there are no limits on vocational schools making themselves more attractive by adding AP courses or other programs already offered at area high schools. "It's a one-way street," he says.

Tim Murray, the CEO of the Worcester Regional Chamber of Commerce and lieutenant governor under Deval Patrick, has been working to expand vocational programs across the state. He co-chairs a group called the Alliance for Vocational Technical Education, founded three years ago, which has brought together vocational leaders, employers, community organizations, and state officials to try to address the high demand for vocational education. For the sake of students and the state's economy, he says, the conflicts need to be worked out.

"How do we increase access rather than continue fighting over a limited number of seats? We can't just go in our corners," Murray says of the sparring between districts and vocational schools. "Collaboration is going to be key, and I think there are going to be increased incentives at the state level to work together." **CW**



Holyoke Mayor Alex Morse

The mayor who isn't afraid of pot

While other cities look to block marijuana businesses, Alex Morse sees potential for urban farming in Holyoke's mills

BY TED SIEFER

PHOTOGRAPHS BY MARK MORELLI

OUTSIDE HOLYOKE CITY HALL is a stone fountain that once gurgled with water, offering a more wholesome substitute for alcohol to “a thirsty humanity,” as the inscription reads. Erected in 1901, the monument was one of several put up by the Women’s Christian Temperance Union

around the country as part of a campaign that would help usher in Prohibition.

One suspects those upstanding ladies would be none too pleased by recent developments in Holyoke, where city officials are not just cheering the end of another form of prohibition—on



Holyoke has some of the cheapest and cleanest power in the state, an important consideration when running a warehouse full of grow lights all hours of the day.

marijuana—but embracing it as a way to revive the city’s flagging fortunes.

Since Massachusetts voters approved the legal sale of recreational marijuana, officials in a number of cities and towns have been wringing their hands over the prospect of quaint downtowns being overrun by stumbling stoners. Numerous communities have passed or are considering moratoriums on pot shops, at least until the regulations that will govern the industry are hammered out by the

Legislature, whose members themselves tend to be more wary of pot than the public at large. Meanwhile, there are early indications that the Trump administration won’t be nearly as chill about enforcing the federal prohibition on pot as former President Barack Obama had been.

But Holyoke Mayor Alex Morse—the driving force behind the city’s marijuana-friendly approach—is undaunted.

“In a climate where it seems many city and towns are reluctant to embrace the industry and some are even outwardly hostile to the industry, I think it’s important to distinguish our city as a place that, if people want to have that conversation, we want to have that conversation,” Morse says.

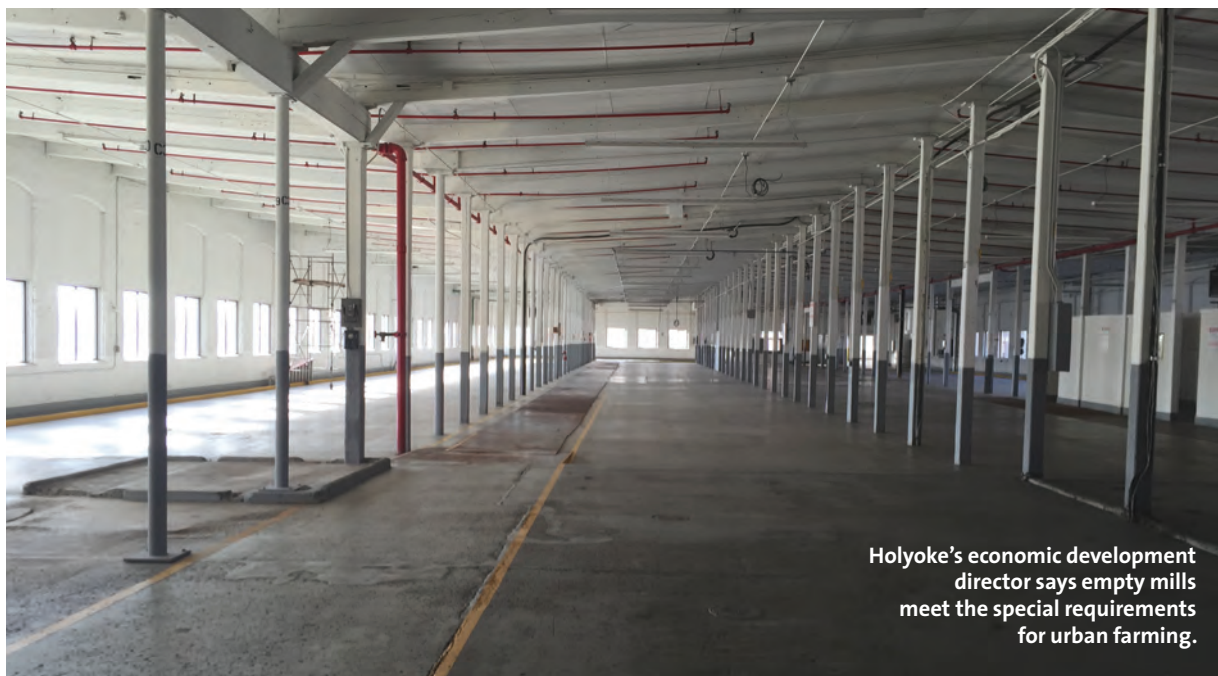
And it’s not just talk. In the near future, GTI, a national medical marijuana company, is hoping to begin work on a cultivation facility and nearby dispensary that will be located along a canal in the heart of the city’s downtown art and technology district. The site is a far cry from the drab outlying buildings where most of the state’s existing dispensaries can be found.

GTI is not the only cannabis-oriented business city officials are talking to. Morse says the city has been “inundated” with interest since his pro-pot stance was publicized late last year. He points to the city’s natural advantages, in particular 1.5 million square feet of vacant mill space, a legacy of the Paper City’s onetime status as the world’s foremost supplier of paper products. And the city has some of the cheapest and green-

est power in the state, thanks to the Holyoke Dam and canal system—an important consideration when running a warehouse full of grow lights all hours of the day.

But marijuana is not just any industry, and Holyoke is not just any city. It’s racked by poverty—nearly 30 percent of the population lives below the poverty level—and it’s long been dogged by high crime rates and a struggling school system, which is currently in state receivership.

Other immigrant-heavy, economically challenged



Holyoke's economic development director says empty mills meet the special requirements for urban farming.

Gateway Cities, such as Lawrence and New Bedford, have viewed the marijuana industry, including medical dispensaries, warily. The last thing those cities need, the prevailing attitude among officials seems to be, are more outlets for psychoactive substances.

Not everyone in Holyoke is sold on the idea, either. But for Morse, his city's challenges are all the more reason to throw open the door to an innovative if controversial industry that can bring jobs and revenue.

PITCHING POT

Pete Kadens, the chief executive of GTI, and a colleague click through a series of slides detailing, among other things, the company's rigid security protocols and the science behind how cannabis helps sufferers of Parkinson's and other ailments.

Kadens is speaking in the auditorium of Holyoke's Kelly Elementary School, where about 50 residents, hunched over kid-sized tables, have turned out on a March evening to learn more about GTI's plans.

It is a polished presentation, one clearly made before by the company, which operates in Illinois, Maryland, and Nevada. Early into the spiel, Kadens pauses for questions.

Will medical marijuana be covered by insurance, one man asks skeptically. "You have people here who can't afford a loaf of bread," he says. The answer was no; medical marijuana is strictly an out-of-pocket expense.

"A school?" another person asks incredulously. "You're

talking about this in a school?" More to the point, he says, GTI's proposed cultivation site is just around the corner from the school. (It's about 700 feet away.)

The would-be grow facility is in the city's Flats neighborhood. It's a former industrial area that flanks the Connecticut River, and is among the most impoverished parts of the city, with a population that is predominantly Hispanic.

Israel Rivera, a young bearded guy sporting tattoos and a baseball cap, stands up and explains that he's a felon, that he has served time for crimes relating to marijuana and other drugs.

"A lot of people are suffering because of these laws," says Rivera. "Ultimately the question for me is what's this

The concern that pot is another unsavory business being foisted on a vulnerable city aren't unfounded.

going to do for the community, the community of the Flats, the community I was raised in."

These concerns—that GTI's arrival in Holyoke was another case of an unsavory business being foisted on a vulnerable community, not unlike package stores and

pawn shops—aren't unfounded.

In California, home to the country's first and longest-running medical marijuana program, dispensaries are inordinately located in areas that tend to be poorer and more Hispanic, and have higher concentrations of liquor stores and easy highway access, according to a 2015 study by University of California, Los Angeles. At the same time, the demographics of medical marijuana users tend to skew older and whiter than the general population, according to a study by UC Santa Cruz.

Since Colorado legalized the sale of recreational marijuana, pot shops have sprung up disproportionately in lower-income neighborhoods of Denver, an analysis last year by the *Denver Post* found. The phenomenon was attributed in large part to the fact that industrial areas with pot-friendly zoning tend to be located in or near low-income areas. Such neighborhoods also offer cheaper rent and may not put up the same fuss as wealthier parts of town.

Zoning helps explain why GTI's facilities in Holyoke have been sited in the Flats; that's also where much of the city's general industrial zone—where medical marijuana businesses are a permitted use—is located.

Kadens appeared to be caught off guard by the bluntness of some of the questions at the March meeting. But he quickly gained his footing. He's more comfortable discussing such issues than your typical executive. A serial entrepreneur who founded one of the largest solar companies in the country, Kadens has been an outspoken critic of US drug policy and he has pushed to bring social justice to the marijuana industry, even delivering a TED talk on the subject.

Kadens told the crowd that GTI would be hiring "hyper-provincially" in the neighborhood to fill jobs at the cultivation facility and the dispensary. GTI would provide thousands of dollars to neighborhood organizations annually. (The facilities will employ about 50 people, in positions ranging from trimmers and packagers making \$14 to \$18 an hour to chemists and other professional managers with six-figure salaries.)

"Let me tell you why we came to Holyoke," Kadens said. "Because this is a city where we can make a difference. It is a fact that the war on drugs and the war on marijuana has disproportionately affected communities of color. People like yourselves deserve the right to profit from this. You deserve the right to be employed by this industry—that's why we came to Holyoke."

HOLYOKE'S BUSINESS

No one would ever mistake Alex Morse for a pothead. He's clean-cut and speaks precisely, seemingly in fully-

formed paragraphs. The Holyoke native graduated from Brown University and promptly returned home to run for mayor in 2011, beating a political veteran and becoming, at age 22, the youngest mayor in the city's history. Since then, he's distinguished himself by his progressive politics—he recently vowed to uphold the city's status as a sanctuary city—and a push to revitalize the downtown. His support for a local marijuana industry fits squarely within that agenda.

"We see it as one part of an overall economic development strategy to revitalize the center city," Morse says. "There's been all these fears that people are going to be smoking on the street, but the law is very clear: there's no public consumption. It's a very tight law."

So far, the City Council in Holyoke, where about 57 percent of voters supported the marijuana legalization question, has not put up much resistance to Morse's marijuana push, although two councilors have proposed a moratorium on pot shops until the end of 2018. The special permit for GTI's cultivation facility was still in committee in late March. Time will tell if opposition grows as more residents learn about the plans.

**Alex Morse is clean-cut
and speaks precisely.
No one would ever
mistake the mayor
for a pothead.**

Morse's support for the pot industry could help breathe hipness into the city's Innovation District, the area along its historic canals that has become home to a growing number of tech startups and arts groups. The city also recently marked the opening of a new downtown passenger rail station that reconnects the city to Amtrak's Vermonter line, which runs from Washington, DC, to the Canadian border. Morse doesn't shy away from the potential for marijuana tourism, a phenomenon that's been well documented in Colorado. Given the city's proximity to Connecticut, New York, and Vermont, it's not a far-fetched proposition.

GTI's dispensary will be located along Holyoke's Canalwalk near Gateway City Arts, a sprawling space that features a music and performance stage, beer garden and restaurant, and ceramic studios. Depending on how things shake out with the marijuana law, the dispensary could one day become a retail shop or even a pot cafe, à la Amsterdam.



"I think it's going to be good for us from a business perspective," says Lori Divine, who with Vitek Kruta owns Gateway City Arts.

That prospect doesn't worry Lori Divine, a co-owner of Gateway City Arts, in the least. "For us it'll be good. We have a restaurant and music, so I think that's a very nice combination," she says with a laugh. "I think it's going to be good for us from a business perspective. It will be terrific for the city."

Marcos Marrero, Holyoke's economic development director, sees marijuana cultivation as a kind of economic gateway to pharmaceutical research and other forms of "urban farming."

"The mills we have here, they're older mills. They're not particularly well-suited for new types of manufacturing. But they meet the spacial requirements for urban farming," Marrero says. "The thing with marijuana is it's the best crop now in terms of payment at this moment."

But the market could change. In Newark, New Jersey, for example, a "vertical farm," in which climate-control technology is used to grow crops in stacked rows inside buildings, now produces 2 million pounds of fresh salad greens a year.

"You put the controversy about the type of crop aside, and it's just another crop," Marrero says about the city's interest in becoming the marijuana mecca of the Pioneer Valley.

DOUBTS AND FEARS

If Holyoke leaders see marijuana simply as a promising economic opportunity, other Gateway Cities aren't so agnostic about joining a blooming marijuana trade.

Lawrence, one of the state's poorest cities, with a popu-

lation that is more than 70 percent Hispanic, was one of the few communities in Massachusetts to vote against legalizing medical marijuana in 2012, and residents voted in November against legalization of recreational marijuana by one of the highest margins in the state.

In New Bedford, the idea that pot shops might contribute to the effort to revive its downtown is anathema to Mayor Jon Mitchell. "At the risk of generalizing, I believe that most of the people who voted in favor of legalization did so because they believe people should be able to smoke marijuana in the privacy of their own homes," says Mitchell, a former federal prosecutor. "I think most of those people would agree that it doesn't mean that marijuana retail operations should be allowed to set up right next to schools and churches."

Methuen Mayor Stephen Zanni wants to hold a referendum in the city, where voters narrowly rejected Question 4, to limit or ban retail pot shops—the only way, according to the law in its current form, for communities to impose such blanket restrictions. "As far as Massachusetts goes, I'm very conservative," says Zanni. "And the federal government doesn't approve it yet either," he adds, referring to the uncertainties about enforcement of federal laws against marijuana.

Kadens seems to view the persistent stigma around marijuana as a kind of occupational hazard, something that no amount of PowerPoint presentations and demonstrations of good corporate citizenship can completely dispel.

He tells of one mayor who, when informed that marijuana did indeed give people "the munchies"—appetite stimulation is the term GTI prefers—asked, "Then why

are Cheech and Chong so skinny?"

"There are still people living in the days of *Reefer Madness*," Kadens says. "Some places we have a lot of work to do because people are starting in the 1960s. That's their context for cannabis."

Certainly one of the most persistent beliefs held by marijuana detractors is that it's a "gateway" to harder drugs such as heroin and other opioids—no minor concern in a region that has been devastated by overdoses and other problems associated with addiction. But while research has shown that marijuana use might correlate with the use of drugs such as heroin, it has yet to offer firm support for the gateway theory.

Kadens and other supporters of marijuana legalization, in fact, point to respected studies that have shown that greater access to pot corresponds to lower opiate use. A 2014 study in the *Journal of American Medical Association* found that "medical cannabis laws are associated with significantly lower state-level opioid overdose mortality rates." A 2016 study published in the *American Journal of Public Health* found, by examining autopsy data from car crash victims, that opioids were detected less often in people who lived in states with medical marijuana laws.

UNCERTAIN FUTURE

Any grand visions of Holyoke becoming a center for the cannabis industry are clouded by the ongoing machinations on Beacon Hill around the marijuana law. Having already pushed back the deadline to finalize regulations for the retail sale of pot by six months, the Legislature could very well make other significant changes to the law or at least gum up the works. It's not lost on pot supporters that five years after voters approved medical marijuana, there are only nine licensed dispensaries in the state, with more than 200 applications pending.

Municipalities are at the center of the lobbying scrum, pushing for changes to the law that would give them more power to restrict the number of local pot shops or ban them altogether.

"We're not hearing any community that says that the ballot question shouldn't be implemented, because it was voted for," says Geoffrey Beckwith, executive director of the Massachusetts Municipal Association. "But we do believe it's important to clarify the law so there won't be excess litigation and all sorts of question marks as the law unfolds over months and years."

With the Legislature poised to amend the law and the Trump administration signaling it may take a harder line



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toward marijuana, companies such as GTI are treading cautiously, while continuing to push to open medical dispensaries. It's a sound strategy considering that the law, as written, gives "applicants with the most experience operating medical marijuana treatment centers" first dibs on recreational licenses.

The number of jobs at GTI's marijuana growing operation in Holyoke could double if the market for recreational pot opens up.

"I'm asked all the time if we're going to go recreational," Kadens says. "My response is always the same. We're going to follow the law and we're going to work in partnership with the community and the city to digest the law and assess how we're going to go forward. There's nothing worse than to be in a community that doesn't

want you there."

At the same time, Kadens makes it clear that the scale of GTI's operation in Holyoke will depend on the future of recreational pot; he says the number of jobs at its facilities could more than double if the recreational market opens up.

In the end, those jobs may serve as one of the more compelling arguments for welcoming the pot industry to Holyoke. It's certainly one of the main things that appeals to Jose Bou, the proprietor of Salsarengue, a bar, restaurant, and club that is a gathering spot for the city's large Puerto Rican community. It's a festive place that stands out in a downtown pocked with vacant storefronts, liquor stores, and check-cashing shops, an area where pot smoke isn't an uncommon aroma.

"When you're talking about controlling marijuana, it's a great thing," Bou says. "If you have someone selling alcohol from a basement and there's no responsibility beyond that, I have a problem. But when there's a law that controls it, I'm in favor of it. I think with all these empty buildings, we should do something with them rather than letting them rot and collapse." **CW**



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Death of a cancer lab

A once-thriving research program was taken over by questionable characters who squandered millions in taxpayer funds and destroyed years of cutting-edge advances in the fight against the disease

BY JACK SULLIVAN

PHOTOGRAPHS BY MICHAEL MANNING

FEW PLACES HAVE the resources and brain power to match Boston when it comes to biomedical research, including the search for effective ways to treat and prevent cancer. Internationally renowned hospitals, combined with some of the leading universities in the world, make the region a magnet for top researchers and the funding that fuels their quest to advance knowledge.

Lynn Hlatky and her team at the Center of Cancer Systems Biology, operating out of Steward Health Care-owned St. Elizabeth Medical Center in Brighton, were in the thick of that research mix and had an audacious goal. Hlatky's lab team, which started up in 2006, wasn't just trying to find a cure for cancer; their aim was to prevent it. They wanted to develop an anti-cancer vaccine and their research was showing promising results, with

millions of dollars in federal and private grants flowing their way.

Hlatky, a cancer biologist and the lab director, and her colleague Philip Hahnfeldt hold at least six patents stemming from their work and have published scores of research papers in medical journals. They were sought-after speakers at conferences and seminars attended by the top cancer researchers in the world. Their work drew grants not only from the National Cancer Institute, but also from NASA and the Department of Energy, to determine how cancer cells respond in space and when subject to radiation.

Research like that can draw big grant money as well as support from pharmaceutical companies that see the potential for commercial applications down the road.

From left to right, Lynn Hlatky, lead investigator Philip Hahnfeldt, and assistant investigator Christine Briggs outside their former cancer research lab at St. Elizabeth's Medical Center in Brighton where they say they were frozen out and years of work and millions of taxpayer dollars were squandered.



In the case of the St. Elizabeth's research center, however, the lab had the misfortune of drawing the interest of two men who presented themselves as wealthy benefactors but who actually had a history of questionable promises, investments, stock deals, and personal financial failings.

The result was waste, mismanagement, and allegations of fraud involving more than \$32 million in taxpayer money and, even more devastating, the destruction of thousands of laboratory vials of biological samples that were the product of eight years of cutting-edge research. Hlatky says the discarded material held important clues for not just treating, but potentially preventing, the disease.

"We were paid \$30 million to do this," she says unabashedly, "and we were worth every penny."

But in late 2013, the lab began to dissolve as money slated for the research operation went into accounts that lab administrators no longer could access or audit. By the summer of 2015, all the years of science and research came to a screeching halt as a new board of directors terminated all the lab staff and four days later filed for bankruptcy protection, seeking to sell off the equipment and, more importantly, the intellectual property in the lab to the highest bidders.

The dismantling of the lab, operating under a nonprofit called GeneSys Research Institute, and loss of all the work and effort was abetted by the misrepresentations of a smooth-talking operator named David A. Horowitz, who cajoled his way on to the board without so much as a Google search of his background. Horowitz later muscled out Steward's own appointee to the board and gave seats to his longtime business partner, Charles J. Newman, as well as Boris Epshteyn, a lawyer and controversial Republican strategist who briefly served as a White House aide to President Trump.

Hlatky and her colleagues thought the state attorney general's office, which oversees and regulates nonprofits operating in Massachusetts, would step in. But the office appears to have written off evidence of potential wrongdoing brought forward by lab employees and financial administrators. The AG's office also did not seem moved by evidence about the shady histories of new board members at the center, court filings suggesting that Horowitz was withdrawing grant money for personal use, or concerns that Steward was improperly commingling funds between unrelated nonprofits.

The end came last summer when, over the objections of the Department of Justice as well as pleas from Hlatky to let her find another lab to continue her work, a federal bankruptcy judge allowed the auction for pennies on the dollar of millions of dollars of equipment paid for by the government and gave the bankruptcy trustee the go-ahead to destroy the research samples.

Nearly all of the parties involved, except the lab



Christine Briggs, a researcher at the defunct Center for Cancer Systems Biology, went to a number of officials including state Rep. Denise Provost to try to get help in saving the prestigious lab.

researchers themselves, declined to comment on the death spiral of a once-thriving research operation. But there is voluminous information in hundreds of court documents, state and corporate records, letters, emails, memos, and elsewhere to piece together a tale of deceit and misdirection that set back years of work fighting a deadly disease and cost taxpayers millions of dollars.

TOO GOOD TO BE TRUE

To Steward Health Care, the state's only for-profit hospital network, the bottom line is the bottom line. So when the company took over the Caritas Christi hospital system from the Boston Archdiocese in 2010, it inherited nonprofit pieces it had no interest in running.

One of those pieces was the Center of Cancer Systems Biology, one of 12 national cancer systems biology labs funded by grants from the National Cancer Institute. Steward spun off the lab into a nonprofit named Steward Research and Specialty Projects Corporation, an umbrella group that not only oversaw the cancer research lab but a hodgepodge of other nonprofit and social programs, including a domestic violence center funded and operated by the Massachusetts Office of Victim Assistance, chaired by the attorney general, who at the time was Martha Coakley.

But not long after that, Steward looked to cut ties with the nonprofit by removing Steward President and CEO Ralph de la Torre and corporate counsel Joseph Maher as officers and directors. The organization was renamed GeneSys Research



Institute and Dr. Peter Catalano, a Steward surgeon, was tapped to helm the organization's board of directors. He began searching for other board members, hopefully deep-pocketed, who could come in, contribute to the research center, and perhaps draw in other donors.

Enter David A. Horowitz, who in October 2012 was referred to Catalano by a patent attorney he knew, according to a deposition Catalano gave in a suit against Steward by Hlatky, the former lab director. Horowitz and his business partner, Charles Newman, were presented as benefactors of a cancer treatment center at Tufts Medical Center called the Newman-Lakka Institute for Personalized

The AG's office did not seem moved by the shady histories of new board members.

Cancer Care. The attorney told Catalano that Horowitz would be a good fit for GeneSys, and at their first meeting in November, Horowitz brought a photo of himself and Newman presenting a check for \$2 million to Tufts to seed the cancer center there.

"[The attorney] had mentioned to us that Mr. Horowitz was very interested in research and looking to expand the program [at St. Elizabeth] and this might be a great synergy if he would be able to work with us and if we'd talk to him," Catalano said in his deposition. "So I had set up a dinner meeting with him originally, and it turned into two or three different dinner meetings to see if he was, No. 1, interested, [an] appropriate candidate, and what his thoughts were about this entity going forward."

Horowitz was, indeed, interested, but as for being an appropriate candidate, there wasn't much vetting to determine that beyond Catalano's dinner meetings. Had there been, simple court and records checks and internet searches would have uncovered a trail of personal bankruptcies and corporate fiscal mismanagement by Horowitz and Newman. The record includes judgments and fines against them involving stock fraud in Michigan, Minnesota, and New York, and a finding by a Massachusetts Housing Court judge that Horowitz was indigent in an eviction case against him just three years before presenting himself to Catalano as a wealthy benefactor.

As for the \$2 million gift to Tufts, it turns out the photo represented a pledged donation that was never fulfilled. The failure to receive the money resulted in the closing of the cancer center at the hospital, according to people familiar with the situation. A spokesman for Tufts declined to answer questions about the pledge, only confirming that the center has been shut down.

"All issues between Tufts Medical Center and the donor have been resolved and we no longer have a relationship with the donor," said spokesman Jeremy Lechan.

"Issues," it seems, trailed Horowitz at least as far back as 1992, when he first filed for personal bankruptcy. According to records, since that time he has been part of at least a dozen legal and professional actions, including suits, fines by the Securities Exchange Commission, enforcement actions by the private Financial Industry Regulatory Authority, and corporate bankruptcies involving at least seven companies connected to Horowitz and Newman.

Records indicate that one of the troubled companies, West America Securities Corp., listed Boris Epshteyn, who is married to Newman's niece, as managing director of business and legal affairs. West America Securities had nearly a half-million dollars in judgments entered against it and its officers over a 15-year period before going out of business in 2013.

Another of Horowitz and Newman's companies, ViuRX Pharmaceuticals, was set up in Nevada but later run out of Horowitz's apartment at Longfellow Place in Boston. The company's chief operating officer from 2006 to 2008 was Dr. Thomas Dahl, another Horowitz associate who would eventually land on the GeneSys board of directors and become part-time CEO of the nonprofit.

Horowitz was sued for nonpayment of rent at Longfellow Place and sought to be declared indigent in 2008 during his eviction proceedings in state Housing Court. The judge approved the request.

Despite that problem-filled past, Catalano brought Horowitz onto the board of directors of the cancer lab at the beginning of 2013. Four months later, Catalano stepped aside as head of the lab's board and Horowitz managed to consolidate complete control over the research center.

According to court records from the ongoing GeneSys bankruptcy case, Horowitz had accused Steward of self-dealing by appointing an employee as an officer and board member of a legally independent nonprofit and of commingling funds without following proper accounting procedures.

In the bankruptcy case, Clare Lamont, a former researcher at the center, acting as her own attorney, questioned Horowitz during a June 2016 deposition. He admitted leveling accusations at Catalano before the Steward surgeon left the board.

"Did you ever accuse [Steward CEO] Dr. Ralph De La Torre or Peter Catalano of Steward Health Care, LLC, of violating state and federal non-profit laws with regard to their fiduciary responsibilities?" Lamont asked, according to a transcript.

"I believe I did to Catalano, but I never met Ralph De La Torre," Horowitz responded before his attorney cut the questioning off.

Not long after that conversation between Horowitz and Catalano, Catalano left his position on the board and Horowitz, who became president as well as a board member, brought Newman and Epshteyn on to complete the takeover. Horowitz and Newman declined comment through their attorney. Epshteyn did not respond to an email or a request for comment left at his White House office prior to his departure in March.

Steward spokesman Jeff Hall said the change in directors on the board was not a result of threats and was done "in accordance with the entity's bylaws." He said Steward didn't do background checks on Horowitz or Newman because it was no longer involved with the nonprofit.

"Steward did not play the lead role in recruiting them," Hall wrote in an email.

"This is a big deal," says Hlatky, who has a filed suit against Steward for breach of contract. "They were supposed to be watching. If you get a job as a janitor at Steward, you have to do a CORI check. No one checked these guys out."

SHUNNING RESPONSIBILITY

The attorney general's office, through its Public Charities Division, has wide latitude in regulating operations of nonprofits in Massachusetts. In addition to being the

A federal judge allowed the destruction of key biological samples.



repository for mandatory tax and administrative filings, the office is charged with ensuring directors and officers exercise their fiduciary responsibility to meet and guard a nonprofit's interest. In the case of GeneSys Research Institute, however, the office showed a puzzling unwillingness to use that authority, despite considerable evidence of improper activity.

State Rep. Denise Provost of Somerville looked into the GeneSys case at the urging of Christine Briggs, one of her constituents who was a researcher at the lab and was fired in a purge by Horowitz. She says she could tell just from looking at records that the new board members were not experienced people.

"These looked like flim-flam guys who had been placed in a fiduciary capacity of what should have been a nonprofit," Provost says. "They were not a group of people in whom I felt confidence."

Not long after Horowitz and Newman took control of the center, researchers and administrators at the lab became wary of them, alleging among other things that the pair shielded government grant money in accounts that were not accessible to the people who audited them and signed for disbursements. The researchers and administrators alleged that millions of dollars were spent without documentation. They claimed nearly \$8 million targeted for the lab was placed in a Bank of America account controlled by Steward.

According to the center's nonprofit tax forms, Horowitz received no compensation from the research institute. But records filed in the bankruptcy case show that, on several occasions, he withdrew cashiers' checks for tens of thousands of dollars written to himself.

Winifred Nwangwu was director of research administration and operations at the lab when Horowitz arrived and he later made her the corporate treasurer and clerk, according to records with the secretary of state's office. But she was fired by Horowitz after raising concerns



about how the bank accounts with the grant money were being handled and brought her concerns to the state officials at the end of 2013.

In testimony in 2014 in connection with a claim for unemployment, Nwangwu said she created a new account to hold and keep track of the nonprofit's grant money, which was her responsibility under the contract with the government. The new account required Horowitz to get her signature if he wanted to make a withdrawal.

Nwangwu claimed she was fired after refusing to pay legal fees Horowitz said were owed because she did not receive a detailed invoice for the services. The hearing officer sided with Nwangwu and overturned an initial denial of her claim for unemployment benefits.

In January 2014, Hlatky and her co-investigator, Hahnfeldt, went with their lawyer to meet with First Assistant Attorney General Chris Barry-Smith, now a judge, and an assistant attorney general, Mary Beckman. They asked the office to intercede and help remove Horowitz and Newman. They brought what they said was evidence of misappropriation of funds, including the cashiers' checks made out to Horowitz.

In May 2014, as the attorney general's office was making inquiries, Horowitz notified Hlatky that her contract, which would expire in September of that year, would not be renewed even though the federal grants that were made to GeneSys were awarded specifically for Hlatky's research and could not be used if she was no longer a part of the lab. In August 2014, GeneSys notified the remainder of the lab employees that they, too, would likely be terminated because of the impending loss of the grant money stemming from Hlatky's termination.

Hlatky and Hahnfeldt were not the only ones to go to the attorney general's office. Researchers, technicians, and administrative employees who were laid off without notice or accrued compensation also filed complaints

with the AG's office, alleging the organization's leadership was mismanaging funds and, with the termination of Hlatky, failing its fiduciary responsibility by axing the center's one grant recipient.

Barry-Smith and Beckman declined to intervene, insisting they saw no evidence of malfeasance. In June 2015, Beckman sent Hlatky, Hahnfeldt, and their lawyer a letter saying the office was ending its review of the case, pending any new information coming to light. Beckman said the researchers' complaints seemed to stem from friction between management and employees.

Emily Snyder, a spokeswoman for Attorney General Maura Healey, said the office did not identify evidence to support allegations that charitable assets had been misappropriated or find evidence that would trigger a suit against the nonprofit.

Beckman, in her letter, acknowledged Steward had comingled funds for different nonprofits, a violation of accepted accounting practices. She made no mention of other alleged irregularities the researchers had brought to the office's attention. But she did say Horowitz and Newman were not managing the nonprofit in line with best practices and said the office had urged them to bring people on the board with more experience and independence.

"The Division suggested to GRI's [GeneSys Research Institute] directors that they should add independent board members (i.e., people who were not paid by GRI and did not have other relationships with GRI personnel or GRI competitors) who could provide additional expertise, oversight, and guidance," she wrote.

In her letter, Beckman touted the addition of Dr. Thomas Dahl and Mark Zuroff to the board, but she failed to note—or was unaware—that both had ties to Horowitz and Newman. From 2006-2008, Dahl, according to his resume, was president and chief operating officer of ViuRX Pharmaceuticals, the defunct company Horowitz and

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opportunities that I
otherwise would not
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Newman ran into bankruptcy. According to records at the Nevada secretary of state's office, Horowitz was CEO and on the board of directors and Newman was treasurer and secretary of the company as well as a member of the board.

Zuroff, whom Beckman praised for having "financial and turnaround experience," had indirect ties to Horowitz and Newman. He was recommended by an attorney who had done legal work for GeneSys.

The public charities office's lack of interest in the backgrounds of Horowitz and Newman was puzzling to Provost, the Somerville state lawmaker, given the attorney general's role in protecting charitable assets. Provost spoke with Beckman and asked her why the long trail of apparent malfeasance seemed to carry little weight in the attorney general's investigation.

Provost summed up her conversation with Beckman by saying the assistant attorney general believed "it's not a requirement of law to pass a CORI check to become a fiduciary of a non-profit." The lawmaker said "it seemed like an odd defense for an assistant attorney general to make. Horowitz and his colleagues seem to not have the remotest qualification to run a research lab. They seemed utterly sketchy and not qualified for their position. I was a bit taken aback that an assistant attorney general should be so dismissive of the scientists."

LOST FOREVER

The demise of the cancer research lab is troubling in two important ways. Because it was federal grant dollars that funded most of the research, it was taxpayer money that was ultimately squandered, some of it still unaccounted for. And the promising advances Hlatky and her team were making in their research are now lost in the quest to understand how to prevent and treat cancer.

The bankruptcy is still ongoing and Horowitz continues to squeeze money out of GeneSys. In May 2015, just 60 days before the nonprofit filed for bankruptcy, Horowitz entered into an agreement signed by Dahl, his former colleague at ViuRX who shared duties as CEO of GeneSys with Horowitz, to be paid more than \$28,000 retroactively for consulting services.

In a letter dated May 14, 2015, Dahl agreed to pay Horowitz's consulting firm, DAH Advisors, \$6,250 a month from January 1 of that year through May. He also agreed to pay \$75 per hour for as much as 80 hours a month in services, which Horowitz, through his company, claimed as a creditor in the bankruptcy case because of the contract.

The agreement appears to violate state charity laws on self-dealing as well as federal bankruptcy laws dealing with payments within a certain period before a court filing. But Horowitz, in a motion filed in February, argues there was nothing untoward in accepting the cash.

Hlatky thought she could use the federal bankruptcy proceedings to salvage the research and the expensive equipment paid for with government contracts in order to restart the lab. The veteran cancer researcher even had the Department of Justice in her corner. Because the equipment was paid for with federal dollars and the biomaterials were the result of the research, lawyers for the Justice Department filed briefs arguing that GeneSys didn't own the assets, the public did.

"As recognized by the First Circuit (and other circuits), property acquired by a debtor with funding through federal grant programs remains an asset of the federal government rather than becoming a part of the debtor's estate," lawyers wrote on behalf of the Department of Energy. "The biological samples, and the control over their disposition, do not belong to the debtor or Steward; they belong to DOE."

The Department of Energy's "legal interest and the public interest align to require the transfer of the equipment and the materials to facilitate Dr. Hlatky's continuing research, rather than be sold to an unknown party or disposed as trash (as suggested by the Trustee)," argued the government lawyers.

In another brief, energy department lawyers informed the judge that Hlatky had an agreement with Tufts Medical Center to restart her lab there. Tufts later withdrew that offer.

Harold Murphy, the bankruptcy trustee in the case, insisted all of the assets of the nonprofit belonged to the company's estate and should be used to pay off creditors. He urged that the equipment be sold and he recommended the biomaterials be destroyed because it would be too costly to maintain them.

Last June, Judge Joan Feeney, a 25-year veteran of the US Bankruptcy Court in Boston, approved Murphy's

The DOJ filed briefs arguing GeneSys didn't own the assets, the public did.

motion. "The trustee has incurred costs and substantial professional fees in responding to the barrage of objections and motions filed by Hahnfeldt and Hlatky, who appear not to recognize that a bankruptcy trustee cannot magically produce funds for a defunct entity regardless of the valuable and ground-breaking research that it



"The vials are the research," says Dr. Lynn Hlatky.

once performed through their auspices. The positions espoused by Hahnfeldt and Hlatky throughout this case have been all talk, but no action," she said.

The lab equipment was sold for far less than it was worth. A \$500,000 confocal microscope, for instance, went for a high bid of \$10,000. The biomaterials were shipped to an incinerator and destroyed.

Feeney, who did not respond to a request for comment, served in the same law firm as Murphy more than 25 years ago. Murphy also declined comment.

Steward petitioned the bankruptcy judge to allow it to sever its lease agreement with GeneSys and force the destruction of the biological materials. The hospital chain was suing Genesys for more than \$8 million at the time; the health care company claimed it had paid millions of dollars in bills incurred by the nonprofit but had never been reimbursed by grant money.

That suit was later settled with a confidential agreement that included Steward allowing GeneSys to remain as a tenant at St. Elizabeth's even though there would not be an operational lab and little likelihood of grant money coming in. Steward also agreed to pay GeneSys \$750,000, rather than recouping any of the \$8 million it had claimed it was owed.

To Hlatky, the lost biomaterial samples were priceless, the result of years of testing and discovery. The vials included cells from livers, pancreases, brains, and other rodent organs that held vital clues to how cancer forms and spreads. It would take another \$10 million and at least six years just to return to where she was in the research when the samples were destroyed, Hlatky says.

"Doctors treat and cure patients one at a time," says Hlatky, who continues to review grants for the federal government and speak at seminars while awaiting another research opportunity. "We're trying to cure people a million at a time. The vials are the research." **CW**



The evolution of Stephanie Pollack

Why a life-long Democrat became one of Charlie Baker's biggest backers

PHOTOGRAPHS BY FRANK CURRAN

Stephanie Pollack and Charlie Baker are the odd couple of Massachusetts politics. Pollack is short and Baker is tall. She's a lifelong Democrat and he's a lifelong Republican. She supported Deval Patrick in 2010; Baker was running against Patrick during that race. She's a progressive with a history of pushing higher taxes to support transporta-

tion; he's a fiscal conservative with a history of opposing such measures.

Yet if Gov. Charlie Baker wins reelection, he may have Pollack to thank. As Baker's secretary of transportation, Pollack is overseeing the governor's signature first-term issue—the turnaround effort at the moribund and change-resistant MBTA. How well she does may well determine how Baker fares in 2018.

Pollack and Baker met for the first time when the governor interviewed her for the job. They went into the interview wary of each other, but both of them emerged impressed. “He basically said, all my friends are going to be mad at me if I hire you. I said, a lot of my friends will be mad if I take the job. And we were both right,” says Pollack.

Any lingering reservations of their friends notwithstanding, the two seem to get along well. Last year, they appeared in a comedy sketch, portraying the Blues Brothers on a mission to fix the T. In March, they took a tour of a prototype of a new Orange Line car. As Baker was leaving the event, he came over to Pollack and said, “See you, kiddo.” When a reporter expressed surprise at the governor's use of the term kiddo, Baker smiled and said: “You should see what she calls me.”

Transportation advocates have generally not attacked Pollack for joining forces with the Republican governor and opposing new revenues for the T. Rafael Mares, a vice president at the Conservation Law Foundation, where Pollack worked for nearly two decades and helped file a number of legal actions against the MBTA, says it is understood that Pollack has to be a team player. “We don't go after her personally. We go after the policy,” he says.

Pollack's knowledge of transportation issues is legendary. She's built her internal database up over time, first at the Conservation Law Foundation and then over years as a consultant and nearly a decade at the Dukakis Center for Urban and Regional Policy at Northeastern University. Words pour out of her at times, almost always in complete sentences. At meetings of the T's Fiscal and Management Control Board, she is the one who provides a broader policy context for presentations by T staff. But she also regularly delves into the minutiae of projects and programs.

Joseph Aiello, the chairman of the T's Fiscal and Management Control Board, says he is constantly astounded at the breadth of her knowledge. “Of all the people I've met in my life, she's got one of the biggest CPUs [central processing units] in her head that I've ever seen,” he says.

Pollack, 56, grew up in East Hanover, New Jersey, and now lives in Newton. She is the mother of three 20-something millennials named Hana, Yitzi, and Beni and the wife of a health insurance executive (and former physician) she met at MIT, where she earned degrees in mechanical engineering and public policy (odd pairing, yet she says it was

a necessity because her father would only pay for an engineering degree) before going on to Harvard Law School.

What follows is an edited transcript of our conversation.

— BRUCE MOHL

COMMONWEALTH: How would you describe the old you, the transportation advocate?

STEPHANIE POLLACK: When I was an advocate, I always was something of a contrarian in that I wouldn't necessarily take the position that was conventionally seen as an advocacy position. When I worked on childhood lead poisoning, I actually enraged a lot of people in that world because I took the position that we actually had to help landlords because ultimately if we didn't help landlords pay to fix lead-paint problems that meant higher rents for the families. That was something that we should be just as worried about as the fact that their kids were lead-poisoned. I have been a person who has always tried to see all sides of an issue and to focus most on the people aspects of issues. I don't think any of that has changed. I do think that there is a certain conventional wisdom among advocates in every area. In transportation advocacy, that conventional wisdom was that the only limiting factor that mattered was the availability of revenue. While I like to think I poked at that assumption, I now realize that I didn't look deep enough to understand what was really getting in the way of ensuring that folks in Greater

Pretty much all of
the money at the
MBTA went into an
operating hole, not
capital investments.

Boston had the transportation system and, in particular, the public transit system that they need.

CW: What was getting in the way?

POLLACK: The T would always say that if it didn't have more money, it wouldn't be able to deliver all these great projects. I was just as focused on projects as all the advocates, and we would go to bat to get more resources for the T. My assumption was that some of that money went to run the system, but some of it went to actually build things. Now, having seen what goes on from the inside, as far as I can tell it pretty much all went into a giant operat-



ing hole and there wasn't a lot of focus on capital investment. So when we were debating raising the gasoline tax in 2013, all the examples of what was going to happen to that money involved capital construction projects. But, in fact, the MBTA's internal pro forma assumed that hundreds of millions of dollars of that money was going to go to the operating side and wasn't going to go to capital construction projects.

CW: People are always trying to reconcile Stephanie Pollack the advocate and Stephanie Pollack the transportation secretary. There's this sense that you've buried your real self, the advocate, to work for a no-new-taxes Republican governor. Which Stephanie Pollack is the real one?

POLLACK: I'm only familiar with one Stephanie Pollack. I've always thought of myself as a person who tries really hard to listen and learn and look at data and be open to re-examining preconceived notions. So I don't think I'm a different person. I do think that who your boss is forces you to ask different questions. When my boss was a nonprofit advocacy group, I didn't ask the same number of questions about effective service delivery or accountability as I have to because I work for a governor who expects all of us to be accountable and to use every dollar

of resources well. So it's not irrelevant that I am a transportation secretary for Gov. Charlie Baker. But it doesn't change who I am. It does change some of what I focus on.

CW: Have you had many philosophical disagreements with the governor on transportation policy?

POLLACK: We haven't had many philosophical disagreements because there are two overarching philosophies that shape why I took this job and why I think he offered it to me. We're in complete accord on both of them. One of them is that transportation is ultimately about economic development and people's quality of life. The transportation agencies are not free to build the things that are important to them, but are responsible for building a system that works for the people who use it. That was the very first conversation we had the very first time we sat down to talk. That view continues to be, I would say, a minority view among many transportation professionals. So that philosophy helps us because then if you're having a conversation about a specific project or a specific request from a city or a town, we're both having the same conversation. Is it a good investment? What's the return on investment? How is this going to help? We may disagree on the answer to that question, but we're asking the same question.



CW: What's the second philosophy?

POLLACK: It's this interesting point of consensus between people who see themselves as fiscal conservatives and people who, as I do, see themselves as progressives. It's about spending government dollars wisely. I think one of the biggest problems with transportation agencies – not just in Massachusetts, but nationwide – is our constituents do not believe we spend every dollar we get well. This need for government to function well is where fiscal conservatives and progressives should be able to find common ground. Progressives may want that money spent well so that they can put more dollars into government and fiscal conservatives may want that money spent well so that they can leave more money in people's wallets. But in both cases it's really important to focus on delivery. For me, that has given me a blueprint for what my job is in running the transportation agencies.

CW: You recently said you didn't think the Legislature

would provide more money for transportation. Have you asked for more money?

POLLACK: I haven't asked because I don't think we're at the point yet where we can make the honest argument on the operating side and the capital side that we're spending the resources we have in the best way possible. But I would also note, having been on the outside asking for more money far longer than I've been on the inside working, that there are not people lined up to volunteer more dollars to invest in the nuts and bolts of the transportation system. I don't know what the answer is to the question of when or if there will be a time to ask, but I do know that the notion that there is a willingness to make unquestioning investments in transportation through higher user fees or other taxes is not supported by the actual behavior of voters or people who answer polls.

CW: How do you plan to vote on the millionaire's tax if it makes it on to next year's ballot? The money is supposed to go to education and transportation.

POLLACK: No comment.

CW: As we talk, you're getting a lot of pushback on the proposal to eliminate weekend commuter rail service. Do you think that proposal went too far?

POLLACK: I understand as well as anybody how hard it is to talk about cutting service. Obviously, service cuts should be a last resort. I'm very proud of the fact that the Fiscal and Management Control Board and the T have been able to get as far as they've been able to get in closing the operating budget deficit without any real changes to service. I also have to say, as someone who has followed the T's trajectory on service cuts for many years, that I'm actually proud of the fact that, for once, the T is talking about commuter rail and not the buses, which is historically where service cut proposals have come. One question we have to ask ourselves when we put service cuts on the table is what would happen if we eliminated this service. Would the people who use it have alternatives? We're talking here about weekend commuter rail service in a system that provides rapid transit well into the suburbs, which on weekends are not that tough to access. I understand why you need to be on the commuter rail for coming in from the western suburbs on weekdays, but on weekends you could go to Riverside and take the Green Line, or Alewife and the Red Line, or Wonderland and the Blue Line, or Quincy and the Red Line. The T is not talking about eliminating transit service on the weekends. We're talking about eliminating, or suspending for one year, a low-ridership, high-subsidy service. I don't know

how that conversation is going to end up, but I think it would be almost irresponsible not to at least have the conversation about why we are running a service that so few people use that it costs three times what the late-night service that was canceled costs.

CW: The Fiscal and Management Control Board meets practically every Monday. You're there most weeks, as are the T's top management and staff. I've never seen anything like it in state government. Are those meetings, and all the time and staff resources they consume, worth it?

POLLACK: I've known for a long time how central the success of the MBTA is to Greater Boston and, indeed, all of the Commonwealth. But one of the frustrations of many transit advocates is that the T seemed to be an extraordinarily unappreciated agency. What is so wonderful about the Control Board and its meetings on Mondays is that we are investing that much time and effort in having the conversations that are happening. The meetings are the agency and its stakeholders working through complicated issues that have been left unresolved, in some cases for decades, because we've finally gotten to the point where we realize that we have to. Yes, it takes tons and tons of staff time and effort to gather the data and figure out how to present the data and queue up the options and anticipate the questions. But as I go through that process every

Frequent turnover in leadership at the T is one of the things that has kept the agency from succeeding

week, I just keep thinking to myself isn't it a wonderful world where people are so concerned about making the T work that they're willing to put in that level of effort.

CW: Originally, it seemed like the meetings were live political theater. But increasingly it seems like many in the audience have already seen the presentations and know what's about to happen.

POLLACK: What the Control Board decides is happening in real time at the meetings. That's what the state's Open Meeting Law requires and that's what we knew would be the ground rules when the board was set up. One of the things that we've learned over the arc of time is that there are constituencies and stakeholders that are particularly close to particular issues and it's in everybody's

best interest to have them come up to speed in advance of the meetings so when they comment and raise issues and questions that they're in a position to do it well. One of the complaints we got is that public comment comes at the beginning of the meeting. How can we comment if we don't have the agenda? So we now email the agenda to people in advance so they have an opportunity to think about it or give someone a call to learn what's going on. If there's a specific group of stakeholders, we do meet with those folks beforehand. The Control Board members are certainly not allowed to do any deliberating, but that doesn't mean they can't be briefed by staff. And it doesn't mean staff can't be talking to others so we can use the time in public sessions on Mondays to have the best possible dialogue among the Control Board members and between the Control Board members and the stakeholders.

CW: You're preparing to hire a new general manager/CEO. How important is that hire to the future of the T?

POLLACK: The frequent turnover in leadership at the MBTA is clearly one of the things that has kept the agency from addressing its long-standing problems and succeeding. It's my hope we can find the right leader for the T at this moment in its transformation and that that person will actually stay in their position for at least three years if not longer. It's really important because it's been a long time since the general manager of the T served out the entire period of their contract, and I think it's something that the T needs.

CW: Did you give any thought to taking that job yourself?

POLLACK: I haven't given serious thought to that position because in my current job I have the best of both worlds. I spend part of every single day working with the T's leadership and the Control Board to make the T better, but I also get to work on a lot of other transportation issues that I care about just as much.

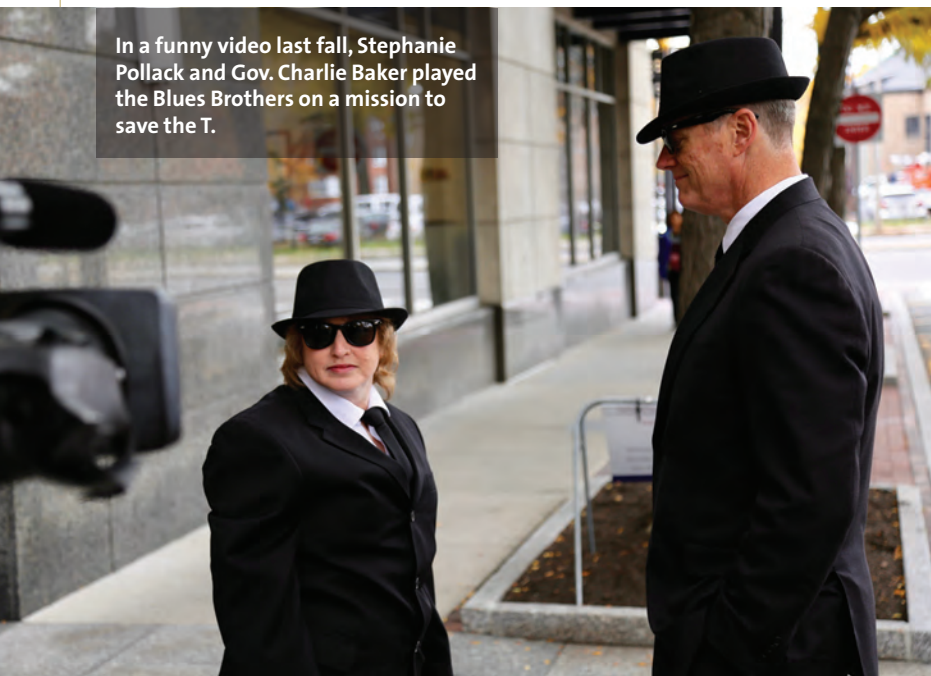
CW: But whomever you hire is likely going to be paid more than you and the governor?

POLLACK: If salary were a driving force in my career, I don't think I would have spent two decades at the Conservation Law Foundation.

CW: You mentioned earlier that you're a progressive. Are you a Democrat?

POLLACK: I have been a Democrat since I registered to vote at age 18.

In a funny video last fall, Stephanie Pollack and Gov. Charlie Baker played the Blues Brothers on a mission to save the T.



the campaign because the governor has made that a central focus of his term in office. He deserves a lot of credit for that because, honestly, there are a lot of pieces of that we don't control, starting with the weather. To actually say, I'm going to tackle this issue that has been festering for decades—not years, decades—and I'm going to make a commitment that we're going to show tangible progress, that's a pretty risky thing to do. We're not the first people to start down the road of making the T a better agency. I'd like to be the first ones to actually finish it.

CW: How does it feel to always be the smartest person in the room on transportation issues?

CW: Any plans to change parties?

POLLACK: I don't really see any reason to unless someone were to challenge Gov. Baker in the primary, in which case I'd pull a Republican ballot in a heartbeat to vote for him.

CW: Why do you, as a progressive, support Baker?

POLLACK: The governor is not just a person who has demonstrated his ability to make government work. It's because he's got the right reason for making government work. When Jim Braude recently asked him whether he had a vision, an issue that's been bouncing around with the governor and me for a while, the beginning of his answer was we have to make sure public transportation works for the people who need it most. That's my vision, too. It's important for we progressives to always be thinking about the people who need the government to work for them. But I would argue that it's equally important for the government to work. That's why it has been such a privilege to work for Gov. Baker. It's not enough to care about the right issues and the right people. We have to deliver.

CW: What's happening at the T is likely to be an issue in the race for governor. It's interesting he's got you, a Democrat, watching his back on that front.

POLLACK: There's no question that the progress that we do or don't make in fixing the T is going to be an issue in

POLLACK: I don't think of myself as the smartest person in the room and I know I'm not when I'm in the room with the governor because it's scary how quickly he grasps things and how many issues he has to keep track of. I tell people that if you ever want to test your ability to process and synthesize a lot of information on almost no sleep, an MIT undergraduate education is a good way to try that.

CW: To keep up, are you constantly reading?

POLLACK: I don't actually read as much as I would like. When I was at Northeastern, I had the time to read whole reports and pore over the data. Now I read the executive

*I will stay in my job
as state secretary
of transportation as
long as the governor
will have me.*

summary and set the report aside in the hope that someday I will get the chance to read it. So I actually feel not as well informed in some ways as I used to be. I guess I'm just blessed that I synthesize information well. I do a lot of reading in the morning, late at night, on the weekends, or while I'm traveling. It takes a lot of hours.

CW: Do you read for fun?

POLLACK: The only pile that's bigger than my pile of unread work reading is my pile of unread personal reading. I am a happier person when I am reading something for my own personal pleasure, but I can't actually remember the last time I did that.

CW: How does your Jewish faith affect your work?

POLLACK: I am an observant Orthodox Jew, which means a lot to me and my family. I could get into an Orthodox 101 conversation, but in terms of how this affects my job, being an Orthodox Jew means I keep kosher and that I try to be home for Sabbath before sunset on Fridays. Except in the case of emergency situations, I do not make phone calls or send emails on the Sabbath and other Jewish holidays. For me, Sabbath is an electronic timeout that gives me time to think about something other than transportation. My staff, the governor, and others have all been helpful and understanding in making sure that I am able to fulfill all my responsibilities while remaining true to my faith and I deeply appreciate their support.

CW: How long will you remain as transportation secretary?

POLLACK: I will stay in my job as long as the governor will have me.

CW: You'd stay through a second term if the governor is reelected?

POLLACK: If there were a second term and the governor asks me, I would absolutely stay on. I once asked a gentleman who served a governor from day one of the first term to the last day of the second term how he accomplished as much as he did. He said we really started hitting our stride in the sixth year.

CW: Who told you that?

POLLACK: I'd rather not share his name since I never asked him if I could use that story.

CW: What gets you most excited? Building the Green Line extension? Creating a new neighborhood with Harvard at the Allston-Brighton toll area?

POLLACK: Transportation is at this fascinating moment because all of a sudden the possibilities of how people can get where they're going are opening up. We're investing in our transit system. We're building complete streets for people who are walking and biking and using transit, not just driving. We're watching all kinds of business-model companies, whether they're car-sharing

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companies like Zipcar or ride-sharing companies like Uber. What interests me the most is how you fit all these pieces together to create an ecosystem in which people have really great options for getting where they need to go. There's a public transit piece of that. The T will always be the high-volume backbone of a place that gives people great transportation choices, but for me the most interesting thing is how the whole can be more than the sum of the parts.

CW: Can you and the MBTA focus on the future very much given the day-to-day pressure on the agency to put out fires?

POLLACK: I hope that we are already focusing on it somewhat. At the moment, MassDOT is in the process of completing a statewide bicycle plan, a statewide pedestrian plan, a statewide rail plan, a statewide freight plan, and the Focus 40 plan for the T. One of the reasons that I am pushing the staff and the consultants on all of those exercises is it's where we have the opportunity to really think forward and outside the box. We can put ideas on the table that may not come to fruition while we're here, but that will lay the groundwork for other

people in the future.

CW: I notice that before answering a question you tend to pause for quite a while. Sometimes it's for several seconds. Are you thinking of what you are going to say before you speak?

POLLACK: My middle child, he's an introvert. He ended up in the state finals for the mock trial competition for the Commonwealth of Massachusetts. They were held at Faneuil Hall. He was only a sophomore. He asked a question that he had asked a million times before and a lawyer from the other high school team objected. The judge said you have to rephrase the question. My son stood there. I actually timed it; it was over 30 seconds, where not a single word came out of his mouth because he was clearly thinking the whole thing through. I thought to myself how courageous it is for a 16-year-old to stand in Faneuil Hall in front of hundreds of people and think instead of just having the words come out of his mouth. I have actually tried to model my own behavior on that day, watching my son do it, because I came to the conclusion that I didn't leave myself enough time to think sometimes. **CW**

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Red states dodge a Medicaid bullet

Under-the-radar attempt to repeal entitlement unlikely to go away.

BY EDWARD M. MURPHY

REPUBLICANS IN WASHINGTON couldn't cobble together enough votes in March from their own party to repeal and replace Obamacare. President Trump learned that health care is more complicated than he thought and quickly put the Affordable Care Act in his rearview mirror. House Republicans, who had symbolically voted dozens of times to repeal the ACA, backed away as members confronted the reality that, this time, it could actually happen. The tricky politics of health care became impossible as they tried to balance their cost-cutting goals with Trump's promise of better, cheaper insurance for everyone. The Congressional Budget Office prediction that the GOP alternative to Obamacare would cost 24 million people their health coverage by 2026 was a bullet to the heart of the proposal.

Yet the furor over the potential loss of coverage drowned out an even higher-stakes debate over Medicaid, the health insurance program for the poor and elderly whose cost is consuming more and more of state and federal budgets. Changing traditional Medicaid was not essential to repealing the Affordable Care Act, but the heated debate provided an irresistible opportunity for Speaker Paul Ryan and other House conservatives to obscure the impact of dramatic cuts in Medicaid funding, which would have affected far more than 24 million people. The debate on Capitol Hill is over for now, but, given the dollars involved, it's likely to return.

Obamacare is a public policy experiment less than seven years old and even its advocates acknowledge that its needs refinement. Medicaid has existed since 1965 and has become a core feature of the social compact in the United States by providing access to health care for poor, disabled,

and elderly citizens. While there may be ways to improve and modernize Medicaid, eliminating the entitlement profoundly alters the relationship between our society and its poorer members, between the federal and state governments, and among the various states. Such a change merits a careful reflection, broad debate, and a full grasp of its consequences.



GOP leaders such as Speaker Ryan, Vice President Mike Pence, Health and Human Services Secretary Tom Price, and Office of Management and Budget Director Mick Mulvaney each have a lengthy public record advocating policy changes that would curtail Medicaid, limit federal appropriations, and significantly reduce the number of Americans who have health care under the law. Trump, whose health care policy pronouncements are vague, has nevertheless specifically endorsed and advocated Medicaid retrenchment.

The Medicaid program is enormous, complex, and not well understood by the public. Twenty percent of the people in the United States receive their health benefits through Medicaid. In Massachusetts, where it is called MassHealth, it is even higher, at more than a quarter of the population. That means 1.9 million citizens of the Commonwealth are beneficiaries. Across the country, participation rates range from a low of 10 percent of the population in Wyoming to a high of 29 percent in West Virginia. Total combined Medicaid expenditures in fiscal 2015 were \$532 billion, or 17 percent of all US health spending. On average, the cost was 60 percent paid by the federal government and the balance by state governments,

which administer the program.

That large portion of Medicaid paid by the federal government is what drives the commitment among Washington Republicans to change the program. As Medicaid has grown over the years, its impact on federal spending has increased significantly. Under the law, which has been in effect for more than a half century, the federal government is obliged to pay a certain percentage of each state's Medicaid expense even though the state has wide discretion in determining the generosity and cost of its program. Thus, much of the federal cost is determined in state capitals rather than in Washington, a source of frustration to Speaker Ryan and others. They argue that uncapped funds flowing from Washington have made states inattentive to costs.

The consensus Republican approach endorsed by Trump is to cap federal Medicaid funding and to limit its growth in the future. This would occur by switching to block grants with a hard limit that would eliminate the current open-ended system. To the extent that states decide to cover more people, expand benefits, or pay higher rates to providers, they would have to absorb the additional cost rather than off-load a significant portion to the federal government.

Converting Medicaid to a block grant is an idea that advocates of smaller government have pushed for a long time. President Reagan made such a proposal in 1981. The Newt Gingrich-led Congress passed a bill, called "Medigrant," in 1995 before it was vetoed by President Clinton. The concept was raised again by President George W. Bush in 2003. Ryan has made the idea a hallmark of his tenure in Congress both in his current role and in his previous job as chair of the House budget committee. Newly appointed HHS Secretary Price, Ryan's successor as budget chair, included the block grant plan in each of the last two budget proposals adopted by the House. Last year's version added a "per capita" option under which states could choose to receive a fixed amount of money per Medicaid enrollee instead of the overall block grant. Under either option, the federal contribution is capped. Had that budget made it to then-President Barack Obama's desk, he would have vetoed it. The difference now is we have a president who made the idea one of the few specifics of his promise to create a great health care system.

The goal of the policy change is to limit federal exposure to Medicaid costs, to reduce the rate at which those costs grow in the years ahead, and to transfer more responsibility to state governments. Proposed legislation that emerged from the House under Ryan and Price over the past several years would have achieved that goal. They followed the same path this year. The Congressional Budget Office reported that, as compared with current law, the

proposed American Health Care Act would have reduced Medicaid spending by \$880 billion over the next 10 years and result in 14 million fewer enrollees by 2026. This is consistent with Ryan's stated goals to "reduce federal funding over the long term" and achieve "budgetary certainty."

Supporters of capped funding argue that less money will not substantially harm Medicaid recipients because states will have enhanced flexibility to innovate, to bring greater focus to cost control, and to eliminate waste, fraud, and abuse. Opponents assert that block grants will shift too much cost to state governments where already constrained budgets cannot absorb the rising health care costs of an aging population. They argue that the new limits will force states to cut services to recipients, especially to elders and disabled people who account for almost half of Medicaid spending even though they only constitute 21 percent of the enrollment. Three out of five nursing home patients are paid for by Medicaid. Most significantly, the current "entitlement" would disappear, replaced by triage decisions made state by state.

The conversion of Medicaid to a capped system would also raise profound questions that go beyond health care policy. The adoption of Medicaid and other Great Society programs in the 1960s was part of the war on poverty that, like other wars, had the effect of concentrating greater control in the federal government. Social, political, and civil rights movements in the US had exposed

Capping Medicaid system raises profound questions.

great disparities in economic opportunity, education, housing, and health. Disadvantaged populations existed across the country but were especially concentrated in large cities, in Appalachia, and in the South. The liberal paradigm that reached its apogee in the wake of Lyndon Johnson's landslide election in 1964 saw it as essential that the federal government assume responsibility for solving the problems of poverty and inequity because the efforts of state governments were not adequate. The product of this movement was not only Medicaid but many other programs based on the assumption that wealthier parts of the country should support the effort to elevate the poorer parts.

The Medicaid financing formula in effect for 50 years captured that principle. While funding is shared between federal and state governments, the proportion of sharing varies from state to state. The federal government pays a larger share of the costs in poorer states and a smaller share in wealthier states. The creators of Medicaid readily accepted the idea that this on-going transfer of money from one place to another was part of the responsibility

of our common American citizenship.

Specifically, the formula in the Medicaid law ties the federal portion, called the Federal Medical Assistance Percentage, to each state's per capita income as compared to national per capita income. If the citizens of a state have per capita income below the national average, that state's federal assistance is higher than a state where the opposite is true. Depending on the state, the law allows federal assistance to range from a low of 50 percent to a high of 83 percent. For example, relatively prosperous Massachusetts has the lowest permissible federal assistance level of 50 percent, meaning that every state dollar spent on basic Medicaid is matched by one federal dollar. Relatively poor Mississippi, where federal assistance is currently the highest at 74.6 percent, receives \$2.94 in federal money for every state dollar spent. If Medicaid financing is capped, it is unclear how the federal government will determine the size of the allocation to each state. The bill drafted by the House leadership this year simply based the new caps on last year's federal spending.

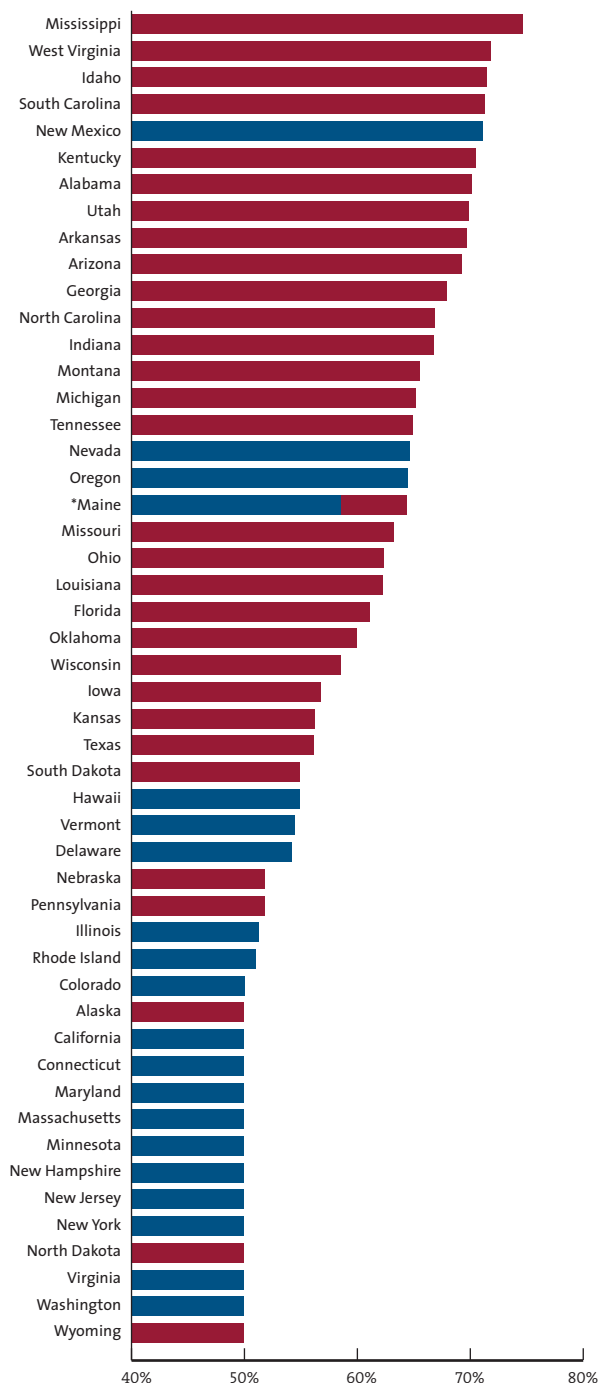
The core question that proponents of capping Medicaid have failed to address is whether the sizing of the new fixed grants should recognize the relative prosperity of states, as Medicaid has traditionally done. Should a state have the level of federal assistance to its Medicaid population penalized because some of its other citizens do well? To ask the question another way: Why should Mississippi receive almost triple the percentage of federal assistance that goes to Massachusetts? The traditional answer to that question arose from the 1960s ethic underlying the Great Society programs. But if the federal government requires states to bear more of the cost of supporting needy citizens, then it is logical for state governments to resist financial concessions made for the benefit of other states. Such concessions impede the ability of even relatively wealthy states to assist their own citizens. This is where the politics get complicated, even among supporters of capping Medicaid.

As is shown in the accompanying chart, many of the states benefiting from higher federal assistance are the same states that elected Trump and other conservative politicians who seek to constrain federal funding for Medicaid and similar programs. If they eventually get their way, the people who represent Mississippi would want the new approach to incorporate their traditional enhanced support. The people who represent Massachusetts would likely argue that the new constrained federal funding means that the Commonwealth cannot accept lesser treatment than other states. It is not possible for Mississippi and Massachusetts both to win this argument. This is a high-stakes fight that will engage every state on one side or the other.

The argument has already begun. Recent headlines

THE TRUMP-GOP MEDICAID DILEMMA

State ranking by FY17 percentage of Medicaid support from federal government (Trump states in red and Clinton states in blue)



* Maine awards a portion of its electoral votes to the winner of each congressional district. Trump received more votes in one of the districts and therefore got one of Maine's four electoral votes.

SOURCE: Federal Medical Assistance Percentages from the Federal Register, Vol. 80, No. 227, pages 73781 – 73782

focused on legislators in California who, in response to President Trump's threat to cut federal funding, described California as a "donor state" that should consider curtailing financial transfers to Washington. Like California, Massachusetts and most of the other low federal assistance states voted blue.

The debate over how to curb federal Medicaid funding puts progressives and liberals in an agonizing position. They traditionally advocate the use of the federal government as a vehicle to transfer tax proceeds from wealthier states to poorer states to mitigate poverty. That posture will conflict with the best interests of their own blue states if funding ceilings are adopted. If a new system is based on the current level of federal funding for each state, Massachusetts would be unable to sustain its MassHealth program without significant new taxes. A financing program that treats all states equally is better for Massachusetts but will decimate recipients in states such as Mississippi which have relied heavily on their disproportionate federal funding. If something like block grants become reality, the first responsibility of representatives from donor states is to insure that those states are positioned to protect their own less fortunate citizens. Massachusetts progressives will have to choose between helping poor, disabled, and elderly people in Mississippi or those in Massachusetts.

Block grants and the repeal of the Medicaid entitle-

ment signify a departure from Great Society principles and the reduction of federal money for social programs. Less federal funding and fewer entitlements is a policy that Republicans have promoted for decades. While they control Washington, we can expect sustained efforts to achieve those goals. If entitlements are eliminated, some states will work to support their citizens who need help. Others will not, resulting in more disparity across the country. Progressives may deplore that potential reality but it nevertheless requires a different framework within which to design programs to help people in need. That framework is the state. The old concept of "state's rights" takes on new meaning in this context. If we do not share a national commitment to an entitlement like Medicaid, decisions about the existence and design of "welfare state" programs will devolve to each state. "Great Society" programs were premised on the use of the federal government to redistribute wealth and thereby elevate living standards for citizens regardless of where they resided. Under the Ryan/Trump ethos, geography may again become destiny.

Edward M. Murphy worked in state government from 1979-1995, serving as the commissioner of the Department of Youth Services, commissioner of the Department of Mental Health, and executive director of the Health and Education Facilities Authority. He recently retired as CEO and chairman of one of the country's largest providers of services to people with disabilities.

Bending the Medicaid cost curve

Massachusetts is betting big on Accountable Care Organizations

BY JOHN E. MCDONOUGH & WILLIAM SELIGMAN

IN A WILDLY uncertain national health care environment, something new, audacious, and risky is happening in MassHealth, the Medicaid program that provides health coverage to 1.9 million people who are poor, elderly, and persons with disabilities in Massachusetts. Gov. Charlie Baker's administration is betting that an emerging health care delivery and payment model, called "accountable care organizations," can restrain rising costs by keeping enrollees healthy and out of expensive settings, especially hospitals. Positive results will have big consequences for the state, for medical providers, and for hundreds of thousands of MassHealth enrollees who will become part of ACOs this year and into the future.

The ACO scheme is the major part of a massive

new federal Medicaid waiver that Team Baker won from the outgoing Obama administration days before the November 8 election that put Donald Trump in the White House. The Obama administration liked the Baker plan because it fit with their mission to move US health care away from expensive fee-for-service payment and toward value-based financing that rewards quality and efficiency.

Though no one knows for sure which way the Trump administration will move, right now it's full speed ahead at MassHealth on the ACO agenda.



In March, the state's Executive Office of Health & Human Services released the names of 21 applicant organizations hoping to launch new

MassHealth ACOs starting in December of this year. Last December, MassHealth designated six of them as "pilot

ACOs” for a shakedown cruise. We interviewed leaders at all six pilots, plus other observers, to see what’s up.

ACO applicants include every major acute care hospital system in the state, plus several non-hospital-based systems, organized into any of three models that vary by their relationship, or lack thereof, with a managed care plan that will provide administrative and financial backbone.

Most of the large provider groups are bidders, including Partners HealthCare, Boston Children’s Hospital, Boston Medical Center, Steward Medical Care Network, Baystate, Lahey Health, Cambridge Health Alliance, UMass Memorial, Beth Israel Deaconess, Southcoast, Signature, Wellforce, and others.

Bidders without a hospital base include Atrius, Reliant Medical Group, and an intriguing new player composed of 13 community health centers called the Community Care Cooperative, or C3.

Several managed care organizations have actively courted providers to be their administrative and financial partners. Tufts Health Public Plans has aligned with five providers; Boston Medical Center’s HealthNet Plan with four; Fallon Community Health Plan with three; while Health New England, Neighborhood Health Plan, and Steward Medicaid Care Network have one each. In addition, the provider groups are aggressively forming relationships with behavioral health and community-based partners to advance integration and on-the-ground outreach to patients.

Our conversations with ACO pilot leaders suggest that the state’s health care community is taking the MassHealth ACO effort very seriously. “We view the health care cost problem as the biggest problem in the US,” says Dr. Tim Ferris, head of Partners HealthCare’s ACO efforts through the Center for Population Health. “We want to be part of the solution, even as we are viewed as the problem,” he says, referring to criticism Partners has faced for negotiating prices that are much higher than other providers.

Jean Yang, executive director of the Children’s Hospital Integrated Care Organization, says unsustainable cost increases under the current MassHealth structure make the ACO initiative a necessity not a choice. “Do we really have a status quo we can go back to?” she asks. “There’s not much of an option. If we don’t put ourselves in the driver’s seat, we won’t be able to defend our position or to help the state move in the right direction.”

ACOs are entities that are held “accountable” to provide comprehensive health services to a defined population. If that sounds like the 1970s definition of a “health maintenance organization,” it’s because they are similar. ACOs bring together medical providers to assume financial risk for a given population’s health. Providers will get a set payment from MassHealth (adjusted for

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patient health profile) to provide patient care for a year. Providers are rewarded or penalized based on costs and quality, and have incentives to keep enrollees healthy at home and out of hospitals.

ACOs became a key part of the Affordable Care Act's scheme to transform health care from rewarding volume to value. Today, there are more than 800 ACOs across the nation, in Medicare, commercial insurance, and increasingly Medicaid. In the 2012 Massachusetts cost control law, MassHealth was directed to make "alternative payment models" such as ACOs a central new strategy.

"Budget-type arrangements such as ACOs align incentives and strongly support meaningful investments in population health, care management, managing between acute visits, and addressing how housing and homelessness and other social determinants impact outcomes," says Dr. Stan Hochberg, chief quality officer at Boston Medical Center. He offers the example of early experience with an ACO patient with multiple chronic illnesses who became homeless and lost his transportation to dialysis treatments. The patient's ACO care manager helped secure shelter and arranged transportation so that his dialysis treatment continued without interruption.

Under traditional fee-for-service, providers are paid for each procedure, office visit, or hospital day. "Pay us for sickness and mistakes, and you'll get sickness and mistakes," says Dr. Eric Dickson, CEO of UMass Memorial Health Care, the leading force behind the new Central Massachusetts ACO. "Pay us to keep people at home and healthy, and that's what you'll get. Less hospital and more community programs—asthma prevention in schools, community gardens, stopping falls at home. None of us want it the way it is now, and it's perfectly designed to deliver those results until we change them."

For decades, public health experts warned that cost containment aimed only at hospitals and physicians misses the point. Most poor health is a function of environment and behavior, and real cost containment must address "social determinants of health" such as poor housing, polluted environments, unhealthy diets, lack of exercise, and more. Pilot ACO leaders believe that the social determinants religion finally is catching on.

"The strategy is to address things that happen to people who live in poverty for a long time. For example, the chronic stress and exposure to trauma experienced by people living in poverty can often lead to issues with mental health and substance-use disorders," says Christina Severin, president and CEO of the Community Care Cooperative, the network of 13 community health centers across the state. "We are planning to implement a really different model of care that seeks to de-medicalize people's

needs as much as possible."

Dr. Mark Girard, president of the Steward Health Care Network, the for-profit system formed from the 2010 sale of the Catholic Caritas Christi system, says MassHealth's initiative will expand Steward's current ACO systems with Medicare and private insurers, which already cover 400,000 lives, to insure close to 600,000 patients in all. "We don't think of ourselves exclusively as a hospital company but rather as an integrated delivery system,"

Social determinants religion is catching on.

he says. "We are proud to run high quality hospitals, but most people spend most of their time not in the hospital. That's why concentrating solely on hospitals makes no sense in terms of keeping people healthy. We focus on populations and what they need."

MassHealth's ACO experiment has risks. Chief among them is the mandate for fast savings to restrain costs. MassHealth accounts for 42 percent of the state budget, including federal and state dollars, 16 percent if counting only state dollars. While ACOs nationally have improved quality, savings over the past five years have been unimpressive.

"I don't know anyone who has figured out how to deliver altered care in one year," says Partners' Tim Ferris, though his network, like others, will build on years of experience using ACOs for Medicare and commercial patients. "The literature says it will take three years, but we're bending over backwards to show we're in this for the right reasons."

Another concern is increasing provider concentration. The ACO strategy is to build broad, integrated networks of hospitals, physicians, behavioral health professionals, home health and long-term care services-and-supports, and now, community organizations. The Massachusetts health care market—already highly concentrated—will become even more so as a result. Will savings from prevention outstrip price pressures from more concentrated provider behemoths, or vice versa? Stay tuned.

Another major concern is MassHealth's management capacity. System leaders give high marks overall to Baker, Health & Human Services Secretary Marylou Sudders, and, especially, MassHealth chief Daniel Tsai and his team. But there are common complaints involving MassHealth's primitive data infrastructure, which explains why most ACO providers are working with Tufts, HealthNet, and Fallon as their financial and administrative partners.

Looming large over the whole effort is the question of whether all the ACO work could be undone by new Trump administration Medicaid policies. The defeat of the Republicans' Obamacare repeal legislation in late

March has lessened this threat, and the new federal waiver is good for five years into 2021, though federal authorities retain the right to cancel. Yet ACOs do not appear to be under the gun of the new administration, and a 2015 law engineered by the Republican-led Senate and House, the Medicare and CHIP Reauthorization Act, actually gives them a real boost.

MassHealth ACOs may be a giant dud. They may save no money because providers are always one step ahead in gaming any system change. Provider concentration may nullify savings. Medicaid patients may revolt from joining ACOs that limit their provider choices. MassHealth may blow up administratively—a state version of the Affordable Care Act’s epic 2013 website catastrophe.

Yet, as Eric Dickson of UMass says: “The ACO, as scary as it is to take risk for Medicaid beneficiaries, is our best chance. This is our best opportunity to deliver care the way we’ve always wanted to.” Others agree. “If this has not decreased costs at the end of five years,” notes Boston

Medical Center’s Stan Hochberg, “I don’t know what choices we will face. If this doesn’t succeed, there are no good alternatives to providing care to our patients within budget constraints.”

Says Kit Gordon, president of Tufts Health Public Plans, “we’re authentically jazzed about this. All of us have to figure out how to better manage and control Medicaid spending. For the first time, I’m seeing health care organizations get serious that there might not be more resources and having to figure out how to live within a budget.”

A handy definition for the word quality is doing the right thing and doing it right. It is way too early to decide whether MassHealth is doing this transformation right. It’s not too early to judge whether they are doing the right thing. They clearly are.

John McDonough is a professor of practice at the Harvard TH Chan School of Public Health. William Seligman is a physician and a student at the Harvard Chan School.

Esports: It’s more than a game

Online competition becoming big business, and now attracting attention in academia

AARON VAN LEESTEN

FOR MOST PEOPLE over the age of 30, playing video games is perceived as a waste of time, a solitary, non-social activity that serves to melt one’s brain. Yet as a 20-year old who has been playing video games for about 15 years (and whose brain is still intact), I believe that perception is way off the mark. The internet is helping to bring gamers together, not only to compete against each other but to watch professional gamers battle for millions in prize money. Video games are beginning to move out of the basement and into the world of sport, and they are starting to have a major impact in business and academia.

For most of us, gaming is a fun activity to do while hanging out with friends, but that doesn’t mean you don’t want to win. Most nights, I log on for a couple hours and play some games while communicating with friends via Skype or some similar service. I play games online just as one might play a game of pickup basketball or soccer at the local park. So it’s no wonder people have taken to calling such a practice esports.

Esports, short for electronic sports, are forms of competition that are facilitated by electronic systems and mediated by human-computer interfaces such as a mouse or keyboard. In most cases, this electronic system is a video game that takes player inputs and determines some output or outcome that is conveyed to the player. Just like regular

sports, esports offer a variety of games that a professional or recreational competitor can play. Just as a fan of football might not feel invested in baseball, someone who plays the fantasy strategy game *League of Legends* might not care as much about the first-person-shooter game *Counter-Strike*. Each game offers different objectives and criteria to determine success, and each game or genre has its own mechanisms of meeting those objectives and criteria.

League of Legends, the most popular esports in the world right now, pits two teams of five players against each other. Instead of providing a first-person view of the world, as the game *Call of Duty* does, *League of Legends* gives the player a bird’s-eye view of their character and his position in the game’s environment. Each team is tasked with destroying the opponent’s “nexus” through a variety of means that are presented to them throughout the average 30-to-45-minute match. The nexus lies at the heart of each team’s base and is defended by a series of defensive structures that must be eliminated as well. A huge amount of strategy is involved in allocating the team’s resources in the most effective way, but the game also involves quick reactions, intense teamwork, fast problem-solving abili-



ties, and an intuitive sense of what actions will result in which consequences in any given second.

In my book, playing *League of Legends* is playing a sport. It scratches the same competitive itch that a conventional sport would, but without all the sweat. Even better, there is no physical barrier of entry. In order to be a professional football player, you need to be gifted with a certain body type in addition to all the training and talent. On the other hand, there is a professional gamer named Mike Begum who is a quadriplegic. When he's playing *Street Fighter*, he uses his mouth a few times each second to move the joystick around and press the buttons that control his character's movements and attacks. While Begum's and LeBron James's bodies may not be alike, their passion for and drive to excel at their respective games are the same.

Similar to conventional sports, esports are also attracting fans. More than 9,000 of them turned out at the Wang Theatre in Boston in December for a four-day competition with \$3 million in prize money at stake. Many competitions are being streamed online on websites such as Twitch.tv and YouTube, making it possible to view tournaments and games in real time just as one would watch baseball live on television.

An estimated 43 million people around the world tuned in for the finals of the 2016 *League of Legends* world championships, held at the Staples Center in Los Angeles. The match between two South Korean teams (respectively owned by Samsung and SK Telecom Co.) was the culmination of a month-long competition between the 16 best teams from around the globe. SK Telecom eventually took first place and walked home with a \$2 million prize to split between its five players.

Many of the fans streaming esports tournaments are believed to be cord-cutters who do without cable television, members of a younger generation that prefer to consume media online. In fact, since 2010, time spent watching television has decreased dramatically among demographic groups that historically constitute critical sports-viewing audiences. According to an October 2016 article in *The Atlantic*, people between the ages of 18 and 24 spend 42 percent less time today watching television than they did in 2010. In the 25-to-34-year-old category, there's been a decline of 30 percent.

The numbers are prompting investors to take a serious look at esports. Big names, including the Philadelphia 76ers, retired NBA players Shaquille O'Neal and Rick Fox, NBA team owner Mark Cuban, and Boston Bruins' owner Delaware North, are investing in the industry as a way to tap into a demographic that is getting harder to reach. As it happens, many members of that demographic are on college campuses, where interest in esports is growing.

Many students, myself included, are beginning to participate in varsity level esports competitions with ros-

ters drawn from student organizations on campus. Just about every college in the Boston area has video game or esports-oriented student organizations. Varsity level competition has existed within a couple different collegiate leagues for a few years because it is easy for students to organize and does not require much, if any, funding.

Some colleges are also taking an academic interest in esports. Emerson College is launching an "Intro to esports" class this fall as part of its sports communication program. Gregory Payne, the chair of Emerson's communication studies department, says the course is a reflection of the fact that esports are becoming more and more like other sports. "The market needs leadership in esports management, esports public relations, esports advocacy, marketing—all of that," he says.

This fall's class will feature lessons on the complexity of marketing to the cord-cutting demographic and examinations of case studies to understand successful management approaches. The course description says students will have the opportunity to engage with various collegiate esports entities around Boston as sources of experiential learning.

Lee Pelton, the president of Emerson, acknowledges video games are not his expertise; most of his familiarity with esports comes from his daughter's interest in the industry. But his limited knowledge doesn't deter him. "Emerson is an innovative institution and I think of myself as an innovative president," he says. "I'm always open to new ideas even if I don't understand those ideas completely."

The knowledge gap that exists in the administration leaves room for much of the program's direction and scope to be determined by students. "I think colleges and universities often privilege credentials over talent and, in doing so, they miss out on significant opportunities," says Pelton. "I want to be the place where we privilege talent over credentials. And oftentimes that means asking students to lead the way."

To help in that effort, the Emerson College esports student organization had plans to host an intercollegiate esports tournament at the Paramount Theater on Easter weekend. And Emerson's administration is already trying to think of ways the school's academic interest in esports can be translated into broader acceptance in Boston, and possibly lead to the development of a fast-growing industry in the city.

"We're looking at ways that we can connect and promote Boston as [an esports] hub," says Payne. "We think that Emerson could be a collaborative partner in that, especially given the academic focus we want to put on it." **CW**

Aaron Van Leesten is a sophomore honors student at Emerson College studying visual and media arts production, and a digital media associate at MassINC.

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