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Guidance regarding requirements for filing Notices of Material Change for transactions involving entities outside of Massachusetts

Introduction

This document is intended to provide guidance for stakeholders on the Notice of Material Change (MCN) process pursuant to [958 CMR 7.00: Notices of Material Change and Cost and Market Impact Reviews](#). This guidance clarifies the MCN filing requirements for transactions involving one or more entities outside of Massachusetts.

The Health Policy Commission (HPC) recognizes that each transaction has unique facts and circumstances and that multiple factors may affect whether a proposed transaction will require the filing of an MCN with the HPC. The HPC encourages stakeholders with specific questions to contact HPC-Notice@state.ma.us.

Capitalized terms contained herein are defined in 958 CMR 7.02.

Guidance

The HPC requires the filing of an MCN whenever health care market participants propose a transaction that constitutes a Material Change, as defined in [958 CMR 7.02](#). The definition of a Material Change includes “A Merger with or Acquisition of or by a Hospital or hospital system[.]” In some cases, transactions involving a hospital system outside of Massachusetts require the filing of an MCN.

1) MCN filing required for Acquisition of an out-of-state hospital system with a New York or New England location by a Massachusetts Provider or Provider Organization

The HPC requires the filing of an MCN for proposed acquisitions by a Massachusetts Provider or Provider Organization of a hospital system with at least one location in New England or New York. At this time, an MCN is not required for acquisitions by a Massachusetts Provider or Provider Organization of a hospital system with no locations in New England or New York.

For the purpose of determining whether a proposed transaction involving an out-of-state hospital system requires the filing of an MCN, the HPC considers a party to a transaction to be a hospital system if it includes either: (1) two or more hospitals that operate under common corporate ownership or control; or (2) a hospital and at least one other entity providing Health Care Services (e.g., physician group, outpatient clinic, home health service) that operate under common ownership or control.

2) MCN filing always required for Acquisition of or Merger with a Massachusetts Hospital or hospital system by an out-of-state hospital system

The HPC requires the filing of an MCN for all proposed Acquisitions of or Mergers with a Massachusetts Hospital or hospital system, regardless of the location of the other hospital system involved.

3) Scope of review of transactions involving out-of-state entities

The HPC's review of proposed Material Changes involving entities outside of Massachusetts, as with all of its reviews, will be focused on the potential cost, quality, and access impacts of the proposed transactions in Massachusetts.