



HEALTH POLICY COMMISSION

Policy 2013-01: Process for Review of Notices of Material Change

Adopted 4/24/13

The Commission adopts the following process for review of Notices of Material Change filed pursuant to the Interim Guidance 2013-01:

A. Process

- All notices of material change shall be posted on the HPC website and circulated to Commissioners.
- Commissioners may, promptly and no later than 21 days from HPC's receipt of notice, provide comments or recommendations on any notice to the Commission Chair or Cost Trends and Market Performance Committee Chair. Commissioners shall also provide any such comments or recommendations to the Executive Director.
- The Executive Director shall identify notices of material change that should, based on staff analysis of criteria established by the Commission set forth in section B and any input by Commissioners related to such criteria, proceed to CMIR.
- As required by c. 6D, § 13, the HPC shall timely initiate a CMIR by sending the provider or provider organization notice of a CMIR that explains the basis for the review and the particular factors the Commission seeks to examine through the review.
- The Executive Director shall report on the initiation of any CMIR at the next scheduled Commission meeting, including the basis for CMIR and particular factors identified and information sought.
- The Commissioners shall by vote determine whether to continue with any CMIR and whether to identify additional factors for review.
- A preliminary report on the CMIR shall be provided to Commissioners at least 30 days before the anticipated release of a final report and publicly available. Comments or recommendations from Commissioners may be provided to the Commission Chair or Committee Chair. Commissioners shall also provide any such comments or recommendations to the Executive Director.
- The final report shall be presented at a full Commission meeting for Commissioner approval by vote.

B. Criteria for Consideration for Initiating CMIR

The HPC shall consider the following cost, market and public interest factors as relevant to determine whether a material change is likely to have a significant impact on the commonwealth's ability to meet the health care cost growth benchmark, or on the competitive market:

- 1) the provider or provider organization's size and market share within its primary service areas by major service category, and within its dispersed service areas;
- 2) the provider or provider organization's prices for services, including its relative price compared to other providers for the same services in the same market;
- 3) the provider or provider organization's health status adjusted total medical expense, including its health status adjusted total medical expense compared to similar providers;
- 4) the quality of the services it provides, including patient experience;
- 5) provider cost and cost trends in comparison to total health care expenditures statewide;
- 6) the availability and accessibility of services similar to those provided, or proposed to be provided, through the provider or provider organization within its primary service areas and dispersed service areas;
- 7) the provider or provider organization's impact on competing options for the delivery of health care services within its primary service areas and dispersed service areas including, if applicable, the impact on existing service providers of a provider or provider organization's expansion, affiliation, merger or acquisition, to enter a primary or dispersed service area in which it did not previously operate;
- 8) the methods used by the provider or provider organization to attract patient volume and to recruit or acquire health care professionals or facilities;
- 9) the role of the provider or provider organization in serving at-risk, underserved and government payer patient populations, including those with behavioral, substance use disorder and mental health conditions, within its primary service areas and dispersed service areas;
- 10) the role of the provider or provider organization in providing low margin or negative margin services within its primary service areas and dispersed service areas;
- 11) consumer concerns, including but not limited to, complaints or other allegations that the provider or provider organization has engaged in any unfair method of competition or any unfair or deceptive act or practice; and
- 12) any other factors that the Commission determines to be in the public interest, including any factors identified by Commissioners during the preliminary review period.