



DEBORAH DEVAUX  
CHAIR

# The Commonwealth of Massachusetts

## HEALTH POLICY COMMISSION

50 MILK STREET, 8TH FLOOR  
BOSTON, MASSACHUSETTS 02109  
(617) 979-1400

DAVID M. SELTZ  
EXECUTIVE DIRECTOR

### **Notice of Material Change (MCN) Process: Frequently Asked Questions Regarding Net Patient Service Revenue Thresholds**

Issued 1/10/2024

#### **Introduction**

This document is intended to provide clarification 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 clarification relates to financial thresholds for the filing of MCNs described in the HPC's [Notice of Material Change \(MCN\) Process: Frequently Asked Questions, Issued 12/02/2015](#).

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@mass.gov](mailto:HPC-Notice@mass.gov).

Capitalized terms contained herein are defined in 958 CMR 7.02.

#### **Provider Organizations should count Net Patient Service Revenue (NPSR) from all affiliates whom they represent in contracting with Payers toward financial thresholds.**

The HPC requires a Provider Organization that is party to a proposed Material Change to file an MCN if it has NPSR of \$25M or more in the prior fiscal year. This includes NPSR of the highest corporate parent in the business of health care and all affiliates. Affiliates include both corporate and contracting affiliates. When determining whether it meets the \$25M NPSR threshold, the Provider Organization must include the total NPSR received by both owned and non-owned providers represented by the Provider Organization in contracting with Payers.<sup>1</sup> The NPSR should include all revenue received by affiliates from Payers, regardless of the type of contract (i.e., global payment, FFS, etc.) or whether the revenue was received through a contract established by the Provider Organization.

---

<sup>1</sup> As described in the HPC's [Notice of Material Change \(MCN\) Process: Frequently Asked Questions Regarding Management Services, Transfers of Non-Clinical Assets, and Indirect Control, Issued 1/10/2024](#), an entity that provides, for example, bargaining representation, "messenger model" contracting, or other support for negotiating and establishing contracts with Payers is considered to represent a provider even if it is not a signatory to the payer contacts.