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Notice of Material Change (MCN) Process: Frequently Asked Questions Regarding Notices of Material Change Related to Employment of Health Care Professionals

Issued 9/19/2024

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 those circumstances in which employment of Health Care Professionals, including multiple Health Care Professionals from the same Provider or Provider Organization, constitutes a “Material Change” and requires notice to be filed.

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 parties with specific questions to contact HPC-Notice@mass.gov.

Capitalized terms contained herein are defined in 958 CMR 7.02.

Employment of Health Care Professionals can require a Notice of Material Change if NPSR thresholds are met; Timing for Filing

Among the types of proposed changes involving a Provider or Provider Organization that require notice to the HPC are “(c) Any other acquisition, Merger or affiliation (such as...*employment of Health Care Professionals*) of, by, or with another Provider, Providers (*such as multiple Health Care Professionals from the same Provider or Provider Organization*)...that would result in an increase in annual Net Patient Service Revenue of the Provider or Provider Organization of ten million dollars or more...”¹

Provider or Provider Organizations that are recruiting Health Care Professionals should bear this threshold in mind and file a notice with the HPC at the point that it is clear it expects to hire a sufficient number of Health Care Professionals from the same provider organization, within any given 12 month period, that it will be anticipating to receive at least \$10M in additional annual NPSR in connection with those hires.

¹ Emphasis added. Definition of “Material Change”, [958 CMR 7.00: Notices of Material Change and Cost and Market Impact Reviews](#).

Filing Parties and Information Required to be Disclosed Publicly

As described in 958 CMR 7.03, Providers or Provider Organizations with \$25 million or more in Net Patient Service Revenue (NPSR) in the preceding fiscal year are required to provide Notices of Material Change. Given the NPSR threshold, in most circumstances, Notice must be filed by the Provider or Provider Organization that anticipates employing such professionals, but not by the individual Health Care Professionals.

The Provider or Provider Organization's public Notice of Material Change should describe the approximate number of Health Care Professionals anticipated to be employed from the same Provider or Provider Organization and the name of such Provider or Provider Organization from which such Health Care Professionals have been recruited. However, the individual names of the Health Care Professionals can be provided confidentially to the HPC and do not need to be included on the public Notice of Material Change form.

Additional Employment from the Same Provider or Provider Organization

If the Provider or Provider Organization hires more Health Care Professionals from the same organization beyond the number reported with the initial Notice of Material Change filing, the HPC expects to be confidentially informed of additional hires and, depending on the number and timing, additional notices may be required.

Timing of Notice

The HPC will work with parties regarding the provisions of 958 CMR 7.13 in an employment context.