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Bulletin HPC-2025-01: Advance Guidance for Providers and Providers Organizations Relative to the Expansion of HPC Market Oversight Authority (Pursuant to Chapter 343 of the Acts of 2024)

BULLETIN HPC-2025-01

Issued: 03/17/25

To: Providers and Provider Organizations proposing to make a material change to their operations or governance structure

From: David M. Seltz, Executive Director, Health Policy Commission (HPC)

Date: March 17, 2025

Re: Advance Guidance for Providers and Providers Organizations Relative to the Expansion of HPC Market Oversight Authority (Pursuant to Chapter 343 of the Acts of 2024)

[Chapter 343 of the Acts of 2024](#) (*An act enhancing the market review process*) was signed into law on January 8, 2025. As further described in this guidance, the law strengthens the HPC's market oversight authority, in relevant part, by expanding its authority pursuant to M.G.L. c. 6D, § 13 and 958 CMR 7.00 to review material change notices (MCNs) submitted to the HPC.

The relevant amendments to M.G.L. c. 6D, § 13 take effect on April 8, 2025. In advance of April 8, and in anticipation of amending the HPC's implementing regulation, [958 CMR 7.00, Notices of Material Change and Cost and Market Impact Reviews](#) later in CY2025, the HPC is issuing this guidance to provide direction for Providers and Provider Organizations with respect to the expanded scope of organizational or operational changes that will be subject to the notice requirement, as well as related information. **This guidance will become operative on April 8, 2025.** Capitalized terms in this guidance are defined in 958 CMR 7.02.

For the avoidance of doubt, except insofar as this guidance addresses expanded requirements, 958 CMR 7.00 remains in effect. The HPC will continue to follow the procedures and timelines laid out in regulation and relevant FAQs.

The amended regulation will supersede the requirements of this guidance. Accordingly, the amended regulation may differ from this guidance, and any reporting form adopted by the HPC in connection with such amended regulation may likewise differ in form and content.

Advance Guidance

In addition to the requirements of 958 CMR 7.00, and pending adoption of an amended regulation, the following requirements will be in effect beginning April 8, 2025, pursuant to M.G.L. c. 6D, § 13 (as amended by Chapter 343 of the Acts of 2024).

1. 958 CMR 7.02: Definition of “Material Change”

- A. Expansion of Material Changes. Section 24 of Chapter 343 of the Acts of 2024 adds the following proposed changes to the definition of Material Change in 958 CMR 7.02.

Material Change: The following types of proposed changes involving a Provider or Provider Organization:

[existing subsections (a) – (e) omitted for purposes of this guidance]

- (f) Significant expansions in a Provider or Provider Organization’s capacity;
- (g) Transactions involving a significant equity investor which result in a change of ownership or control of a Provider or Provider Organization;
- (h) Significant acquisitions, sales, or transfer of assets including, but not limited to, real estate sale lease-back arrangements; and
- (i) Conversion of a Provider or Provider Organization from a non-profit entity to a for-profit entity

- B. Additional Information. For purposes of this guidance:

“Significant expansions in a Provider or Provider Organization’s capacity” includes any increase to a Provider or Provider Organization’s capacity that requires an Application for Substantial Capital Expenditure (as defined in 105 CMR 100) to be submitted to the Massachusetts Department of Public Health’s Determination of Need program.

“Transactions involving a significant equity investor which result in a change of ownership or control of a Provider or Provider Organization” includes any investment by an equity investor that will change the ownership of a Provider or Provider Organization or any investment in excess of \$10M that results in an equity investor having significant control over a Provider or Provider Organization, e.g., the potential to appoint a board member(s), make key business decisions (e.g., hiring or terminating staff).

“Significant acquisitions, sales, or transfer of assets including, but not limited to, real estate sale lease-back arrangements” includes the sale of any licensed facility or the sale of real property assets where Health Care Services are delivered for the purposes of a real estate lease-back arrangement.

2. 958 CMR 7.08: Information Requests to Other Market Participants; Timing

- A. Background. In connection with M.G.L. c. 6D, § 13(c), 958 CMR 7.08 authorizes the HPC, in connection with its review of an MCN or cost and market impact review (CMIR), to request information from other Providers, Provider Organizations, or Payers, which shall be provided within 21 days of a request by the HPC.

- B. Expansion of Parties from Which HPC Can Request Information. Section 24 of Chapter 343 of the Acts of 2024 amends M.G.L. c. 6D, § 13(c) by expanding the HPC’s authority to collect information from significant equity investors and other parties involved in a given transaction. Effective April 8, 2025, **the HPC will be authorized to request information from significant equity investors and other parties involved in a given transaction.**
- C. Required Information for MCNs Involving a Significant Equity Investor. Pursuant to M.G.L. c. 6D, § 13(c)(2), as amended by Section 24 of Chapter 343 of the Acts of 2024, **for any Material Change involving a significant equity investor**, the HPC may specify certain information required to be submitted as part of the MCN, including, but not limited to, **information regarding the significant equity investor’s capital structure, general financial condition, ownership and management structure and audited financial statements.** At this time, the HPC does not require such information to be submitted publicly as part of an MCN form but may request that such information be provided confidentially as part of its review of an MCN (see subsection D).
- D. Confidentiality. In accordance with M.G.L. c. 6D, § 13(c) (as amended by Chapter 343 of the Acts of 2024) and 958 CMR 7.09, the **HPC shall keep confidential all nonpublic information and documents** obtained in connection with an MCN or CMIR, as requested by the parties.

3. 958 CMR 7.04(1): Filing a Notice of Material Change

- A. Background. In relevant part, 958 CMR 7.04(1) requires an MCN to be filed in a manner and form prescribed by the HPC.
- B. Revised MCN form. In connection with Chapter 343 of the Acts of 2024, the HPC anticipates revising the MCN form. The HPC will post a revised MCN form that Providers and Provider Organizations should use beginning on April 8, 2025 on its [website](#). A notification will also be sent to the HPC’s MCN Email List, registration for which may be completed [here](#).

Questions

The HPC encourages stakeholders with specific questions, including timing considerations for potential transactions, to contact the HPC. Please submit questions to HPC-Notice@mass.gov.