MASSACHUSETTS
HEALTH POLICY COMMISSION

HPC Board Meeting

April 16, 2026

Agenda

UP NEXT: Call to Order

Approval of Minutes **(VOTE)**

Regulatory Updates: Chapters 342 and 343 of the Acts of 2024 **(VOTE)**

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

Market Transaction Reviews

Executive Director's Report

Schedule of Upcoming Meetings

Executive Session **(VOTE)**

Agenda

Call to Order

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VOTE

Approval of Minutes from the February 5, 2026, Board Meeting

MOTION

That the Commission hereby approves the minutes of the Commission meeting held on **February 5, 2026**, as presented.

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Regulatory Updates: Chapters 342 and 343 of the Acts of 2024 (VOTE)

- 958 CMR 6.00 Registration of Provider Organizations
- 958 CMR 7.00 Notices of Material Change and Cost and Market Impact Reviews
- 958 CMR 9.00 Assessment of Certain Health Care Providers and Pharmacy Benefit Managers

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

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Regulatory Amendment Process

1 Proposed Regulations Released

Proposed regulations were issued by the HPC Board at the February 5, 2026, meeting and were posted on the HPC website. Current RPO registrants were notified via email.

2 Public Hearing

The HPC held virtual public hearings on March 12.

3 Public Comment Period

Written comments were accepted by the HPC through March 20.

4 Adoption of Final Regulation

After consideration of comments and incorporation of appropriate changes, the Board votes to approve a final regulation.

5 Effective Date

The final regulations will be filed with the Secretary of State and become effective upon publication in the Massachusetts Register (expected May 9, 2026).

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Regulatory Updates in 958 CMR 6.00 and Public Comment

The HPC's proposed revisions to its regulation, 958 CMR 6.00, *Registration of provider organizations,* aim to accomplish three primary goals:

- Implement Chapter 343 of the Acts of 2024
- Formalize the alignment between the HPC and CHIA in administering the MA-RPO Program
- Better reflect how the program has been operationalized over the last decade

The HPC received written comments on the proposed updates to the MA-RPO regulation from 4 organizations during the comment period. Thank you to these organizations for providing feedback on the proposed updates.

- The Massachusetts Chain Pharmacy Council (MCPC)
- Massachusetts Medical Society (MMS)
- Massachusetts Senior Care Association (MSCA)
- Dana-Farber Cancer Institute (DFCI)

Public Comments and HPC Responses on 958 CMR 6.00

Comment	HPC Response
The Massachusetts Chain Pharmacy Council requested that the regulation clarify that the net patient service revenue and patient panel registration thresholds are calculated solely on an entity's Massachusetts-based operations.	HPC already provides this clarification. The MA-RPO Program specifies in a program FAQ document that the registration thresholds apply only to Massachusetts-based operations.
The Massachusetts Medical Society (MMS) objected to the HPC's proposed revision to the "Patient Panel" definition, which defined the term as the total number of unique patients seen over the most recent 5-year period, rather than the most recent 3-year period. MMS stated that the proposed change did not align with standard industry practice and could overstate panel sizes.	The HPC proposes to retain the current Patient Panel look-back period of 3 years instead of expanding to the proposed 5-year look-back period.
MMS proposed that Provider Organizations be given four weeks to respond to an initial notice of non-compliance, rather than the proposed two-week response period.	The HPC proposes to updated the response period to 21 days to allow Provider Organizations additional response time.

Public Comments and HPC Responses on 958 CMR 6.00

Comment	HPC Response
The Massachusetts Senior Care Association requested that long-term care facilities be exempted from the definition of "Provider Organization."	The HPC does not propose to amend the statutory definition of Provider Organization. Nursing facilities and other long-term care facilities provide Health Care Services and thus are considered Providers and Provider Organizations but are not required to report to MA-RPO at this time.
Dana-Farber Cancer Institute (DFCI) requested that the HPC provide guidance on the application of the Uppermost Corporate Parent definition to non-profit organizational structures.	Consistent with current reporting requirements, all Provider Organizations, including non-profits, are required to report at the Uppermost Corporate Parent level. The HPC does not expect this new definition to materially impact the filings of non-profit organizations.
DFCI expressed concern regarding the definition of "Control," commenting that the proposed 10% voting share threshold is too low and raised concerns about the intended application to non-profit structures. DFCI asked the HPC to confirm that standard charitable and philanthropic relationships are not captured.	▪ The 10% voting share threshold is consistent with CHIA's definition of Control in its regulation on hospital financial reporting. ▪ Consistent with changes to 958 CMR 7.00, the HPC proposes to clarify in sub-regulatory guidance that charitable relationships would not constitute "Control."

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Regulatory Updates in 958 CMR 7.00: Implementation and Alignment

Material Change Notice Triggers Added by Ch. 343:

- Significant expansion of a provider's capacity
  - Capacity increases requiring an Application for Substantial Capital Expenditure to be submitted to the Determination of Need program
  - Capacity increases that would result in an increase in annual NPSR by at least the Revenue Increase Threshold ($10 million in year 1)
- Transactions involving a significant equity investor that result in a change of ownership or control of a provider or provider organization
- Significant acquisitions, sales, or transfers of assets, including real estate lease-backs
- Conversions of a provider from a non-profit entity to for-profit

Regulatory Updates in 958 CMR 7.00: Implementation and Alignment

Filing Thresholds and Indexing:

- In line with existing thresholds, the initial MCN Filing Threshold is $25 million and initial Revenue Increase Threshold is $10 million.
- Thresholds must be adjusted annually. This will be based on the Personal Health Care – Overall index established by the US Department of Health and Human Services. The HPC will publish annual Technical Bulletin with the adjusted thresholds.

Information Requests and Post-Transaction Review:

- Process for requiring information from Significant Equity Investors in addition to Providers and Provider Organizations
- Implementation of authority to require reporting by parties for a period of up to five years after the transaction. The HPC will publish additional details regarding timing in a future Technical Bulletin.

Regulatory Updates in 958 CMR 7.00: Implementation and Alignment

Clarifications and Regulatory Alignment:

- Clarification that MCN filings cannot be considered complete if any party to the transaction is out of compliance with RPO filing requirements
- Inclusion of additional statutory language from MGL ch. 6D § 13
- Inclusion of details formerly provided in guidance regarding clinical affiliations, contracting affiliations, other corporate affiliations, and transactions involving out-of-state entities

Public Comments on 958 CMR 7.00

The HPC received written comments on the proposed updates to the MCN/CMIR regulation from 7 organizations during the comment period. Thank you to these organizations for providing feedback on the proposed updates.

- The Conference of Boston Teaching Hospitals and the Massachusetts Hospital Association (CBTH and MHA) (joint submission)
- Boston Medical Center Health System (BMCHS)
- Massachusetts Medical Society (MMS)
- Massachusetts Senior Care Association (MSCA)
- Dana-Farber Cancer Institute (DFCI)
- Health Care For All

Public Comments and HPC Responses on 958 CMR 7.00

Comment	HPC Response
DFCI and MMS expressed concern regarding the definition of "Control" and raised concerns about scope, with DFCI commenting that the proposed 10% voting share threshold is too low and raising concerns about how charitable relationships would be interpreted.	▪ The 10% voting share threshold is consistent with CHIA's definition of Control in its regulation on hospital financial reporting. ▪ The HPC proposes to clarify in sub-regulatory guidance that new charitable relationships would not constitute "Control."
MSCA requested that nursing homes be exempted from the definition of Provider Organization.	The HPC does not propose to amend the statutory definition of Provider Organization. Nursing homes, nursing facilities, skilled nursing facilities, etc. provide Health Care Services and thus are considered Providers and Provider Organizations.
MMS requested clarification regarding how the inclusion of pharmacy services in the definition of Health Care Services impacts calculation of Net Patient Service Revenue (NPSR).	The HPC proposes to clarify in sub-regulatory guidance how pharmacy revenue should be counted for the purpose of NPSR.

Public Comments and HPC Responses on 958 CMR 7.00

Comment	HPC Response
CBTH and MHA requested revisions to the MCN trigger relating to Acquisitions of and Mergers with Hospitals and hospital systems.	The HPC proposes to revise the language to clarify that this trigger does not encompass Acquisitions by a Hospital of a Provider or mergers between a Hospital and a Provider. Such transactions are covered under a different trigger.
CBTH, MHA and DFCI expressed concerns about and requested clarification regarding filing requirements for transactions involving out-of-state provider entities.	The HPC proposes to revise the language to clarify that: ▪ **Acquisitions by** a Massachusetts Provider or Provider Organization of an out-of-state provider other than a hospital system **do not** require the filing of an MCN. ▪ **Contracting affiliations** under which a Massachusetts Provider/Provider Organization would represent an out-of-state entity in contracting also **do not** require the filing of an MCN. ▪ **Mergers with or Acquisitions by** an out-of-state provider organization of a Massachusetts Provider or Provider Organization may require the filing of an MCN by the Massachusetts entity.

Public Comments and HPC Responses on 958 CMR 7.00

Comment	HPC Response
CBTH, MHA, BMCHA and DFCI requested that the proposed “significant increase to a provider’s capacity” MCN trigger be required for fewer types of Determination of Need (DoN) filings and have a higher financial threshold than the Revenue Increase Threshold.	▪ The HPC proposes to revise the proposed language to limit the notice requirement for this trigger to the “Substantial Capital Expenditure” DoN type. ▪ The HPC does not propose changing the financial threshold as the Revenue Increase Threshold is an appropriate threshold for identifying other capacity increases with potentially significant spending and market impacts.
CBTH, MHA and DFCI expressed concern about the scope of the MCN trigger related to Provider asset sales and transfers.	The HPC proposes to narrow the language to be specific to real estate lease-back transactions.
DFCI requested that the HPC remove the open-ended language “including but not limited to…”	The HPC proposes to remove this language where appropriate.

Public Comments and HPC Responses on 958 CMR 7.00

Comment	HPC Response
▪ CBTH and MHA expressed concern that similar requirements for the MCN/CMIR process and the Department of Public Health DoN process are duplicative. ▪ DFCI expressed logistical concern with the requirement that MCNs be filed concurrently with any corresponding DoN application.	▪ HPC proposes no changes. While MCN/CMIR and DoN review include some overlapping elements, their distinct criteria, processes, and timelines serve distinct policy purposes. ▪ The HPC proposes to revise the language to clarify that an MCN may be filed either before or concurrently with any related DoN application.
MMS expressed concern that good faith failures to file complete notices could lead to penalties.	The HPC proposes no changes since the regulation says that the HPC “may” make referrals to the AGO. This language preserves HPC discretion to make such a referral only when appropriate, which would not include cases of errors made in good faith.
CBTH and MHA expressed concern that the inclusion of Management Services Organizations in the MCN trigger for acquisitions by Significant Equity Investors might lead to ambiguity about what entity would be required to file.	The HPC proposes to revise the language to clarify that this provision only applies to Management Services Organizations that provide support for negotiating or establishing contracts.

Public Comments and HPC Responses on 958 CMR 7.00

Comment	HPC Response
CBTH, MHA and DFCI requested that the scope of Clinical Affiliations be narrowed, especially with respect to co-branding.	The HPC does not propose changing the definition of Clinical Affiliation which reflects current practice. The scope of Clinical Affiliations in the regulation is not a change but rather codifies longstanding sub-regulatory guidance. It does not expand the filing requirement.
▪ DFCI expressed concern about the broad scope of the listed CMIR factors and the lack of standardization regarding how they are weighted. ▪ BMCHS expressed concern that the inclusion of consideration of the health care resource inventory would be interpreted as a resource cap that would potentially limit growth of needed services.	▪ The HPC proposes no change as the CMIR factors are directly from the statute and reflect the scope and discretion needed to address the widely varying transactions subject to HPC review. ▪ Consideration of the health care resource inventory is required by statute and does not require a resource cap or target.

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- **UP NEXT: 958 CMR 9.00 Assessment of Certain Health Care Providers and Pharmacy Benefit Managers**

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

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Regulatory Update: 958 CMR 9.00: HPC Annual Assessment

- **Recent statutory changes** require the HPC to update its current regulation implementing the annual industry assessment that funds the Commission's expenses.
- Under the previous law and regulation, 958 CMR 9.00, HPC was authorized to assess **hospitals and ambulatory service centers (ASCs)** (which contributed 50% of the total expenses) and **payers** (carriers and third-party administrators) (which contributed 50% of the total expenses).
- Statutory Changes:
  - **New Entities Assessed.** Chapter 343 of the Acts of 2024 made reduced the proportion of the assessment paid by hospitals and ASCs (between 30-40%) and added three new categories of entities to be assessed:
    - **Pharmacy benefit managers (PBMs)** (between 5-10%)
    - **Pharmaceutical manufacturers** (5-10%)
    - **Certain non-hospital providers** (physician organizations with over $500 million in revenue; and imaging facilities and urgent care centers with revenue over $25M) (between 3-8% of the hospital/ASC amount)
  - **Payer Assessment.** The HPC's payer assessment was consolidated with other payer assessments in a statute now administered by EOHHS. That law provides that the payer assessment amount must be equal to the hospital/ASC assessment amount.

Key Points: Assessment

- The updated regulation establishes the proportions of the assessment as follows:
  - **Hospitals and ASCs: 40%**
    - *By operation of the new payer assessment law, the payer proportion will also be 40%*
  - **PBMs: 10%**
- The regulation tracks the statutory language regarding how the assessment percentage for each entity is calculated.
- The HPC will rely on the data reported to CHIA and the Division of Insurance (DOI) to calculate each entity's assessment amount.
- In consultation with CHIA and the Executive Office of Health and Human Services, the HPC determined that the assessment for pharmaceutical manufacturers and non-hospital providers cannot be implemented at this time based on compliance concerns regarding changing federal law and CMS guidance on provider taxes.

Key Points: Regulatory Process

- At the February 5, 2026 Board meeting, the HPC adopted revisions to the annual assessment regulation on an emergency basis to allow for collection to fund the HPC's operations this fiscal year.
- Following the February 5, 2026 Board meeting, the HPC posted the proposed amended regulation for public comment and held a public hearing.
  - Virtual public hearing was held on March 12, 2026.
  - Comments accepted through March 20, 2026.
- The HPC received comments on the proposed regulation from two organizations:
  - Massachusetts Association of Health Plans
  - Massachusetts Health and Hospital Association

Public Comments and HPC Responses on 958 CMR 9.00

Comment	HPC Response
While not recommending any specific changes, MHA and MAHP both recognized the concerns associated with fully implementing the assessment on pharmaceutical manufacturers and non-hospital provider organizations. The organizations encouraged the HPC to work with the Healey-Driscoll Administration and Legislature on potential statutory changes and to include these entities in future rulemaking.	The HPC does not recommend any changes to the proposed regulation and will continue to work with the Administration and Legislature on potential solutions for fully implementing the assessment, in compliance with federal law and CMS guidance.

VOTE

Approval of Final Regulation: Registration of Provider Organizations

MOTION

That the Commission hereby authorizes the issuance of the final regulation on Registration of Provider Organizations, 958 CMR 6.00, pursuant to M.G.L. c. 6D.

VOTE

Approval of Final Regulation: Notices of Material Change and Cost and Market Impact Reviews

MOTION

That the Commission hereby authorizes the issuance of the final regulation on Notices of Material Change and Cost and Market Impact Reviews, 958 CMR 7.00, pursuant to M.G.L. c. 6D.

VOTE

Approval of Final Regulation: Annual Assessment

MOTION

That the Commission hereby authorizes the issuance of the final regulation on Assessment on Certain Health Care Providers and Pharmacy Benefit Managers, 958 CMR 9.00, pursuant to M.G.L. c. 6D.

Agenda

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UP NEXT: Health Care Cost Growth Benchmark for Calendar Year 2027 (VOTE)

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Benchmark Modification Process: 2026 Timeline

December 16, 2025

3.6% PGSP established in consensus revenue process

April 1, 2026

Public hearing of HPC Board and Joint Committee on potential modification of benchmark

April 16, 2026

The HPC Board votes to set the benchmark. If the Board votes to maintain the benchmark at the current rate of 3.6%, the annual process is complete. If the Board votes to modify, it submits notice of intent to modify to Joint Committee on Health Care Financing.

May 2026

Joint Committee may hold a hearing within 30 days of notice

May/June 2026

Joint Committee may report findings and recommended legislation to General Court within 30 days of hearing; the HPC Board's vote to modify takes effect unless the General Court rejects the proposed modification and enacts legislation establishing the benchmark within 45 days of the hearing.

The Health Care Cost Growth Benchmark: Facts and Myths

WHAT THE BENCHMARK IS

- **A target to monitor and evaluate** the growth of total health care expenditures in the state and the long-term overall performance of the health care system.
- **A measurable goal** to motivate and catalyze public and private collective action to improve **health care affordability, access, and equity.**
- A method for **enhancing transparency of the health care system** so that market participants, policymakers, and the public can examine the drivers contributing to higher health costs for government, businesses, and residents and **respond with public and private initiatives and innovative solutions**.
- A **long-term framework** to track and moderate excessive spending *growth*. The benchmark process provides critical information and data to inform the evolution of **nation-leading health care reform** in Massachusetts.

WHAT THE BENCHMARK IS NOT

- **It is not a binding, government-imposed limit or cap** on total health care expenditures, prices, premiums, or payments. It is a target for measurement and improvement.
- **It is not a punitive measure**. THCE growth above benchmark alone does not automatically trigger penalties or other negative consequences to the health care system or any individual organizations. HPC may require a performance improvement plan of certain provider organizations or health plans after a comprehensive, multi-factor review of the entity's performance by the HPC, including evaluating cost drivers outside of the entity's control and the entity's market position, among other factors.
- It is not a measure of **internal costs or operating revenue/expenses** of health care providers. It is a measure of health care expenditures (i.e. the total spending of services billed to health plans) for attributed patients.
- It is not, nor never intended to be **single solution** to addressing health care affordability challenges within Massachusetts.

The health care cost growth benchmark process, including the HPC's authority, is prescribed by law. Modification of the benchmark is subject to potential legislative review.

1-5 years

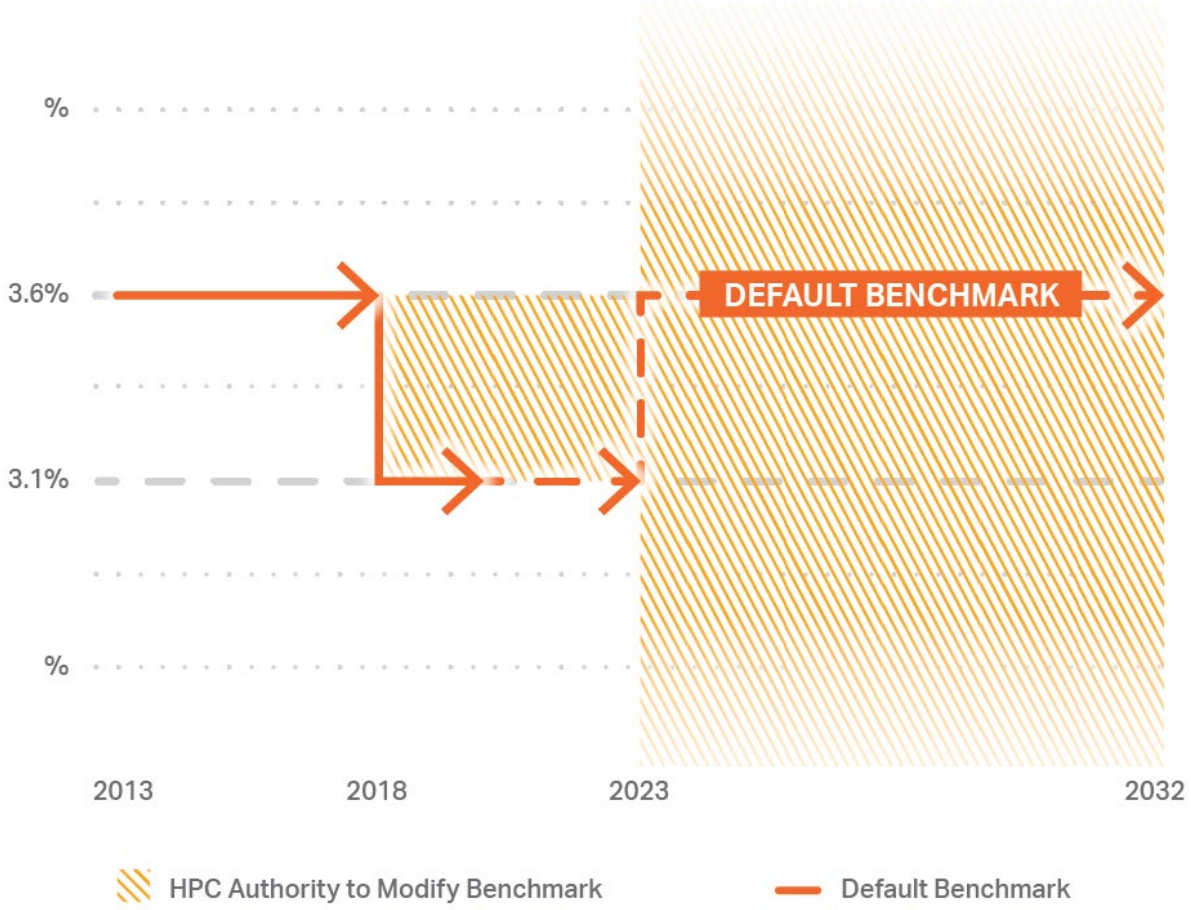
Benchmark established by law at potential gross state product (PGSP) (3.6%)

6-10 years

Benchmark established by law at a default rate of at PGSP minus 0.5% (3.1%); HPC can modify the benchmark up to 3.6%, subject to legislative review.

10-20 years

Benchmark established by law at a default rate of PGSP; HPC can modify to any amount, subject to legislative review.



Benchmark Modification Process: Key Steps

HPC PROCESS TO MODIFY

- The HPC's Board must hold a **public hearing** prior to making any modification of the benchmark.
- The hearing considers **data** and **stakeholder testimony** on whether modification of the benchmark is warranted.
- Members of the Joint Committee on Health Care Financing participate in the hearing.
- If the HPC's Board votes to maintain the benchmark at 3.6%, the **annual process is complete.**
- If the HPC's Board votes to modify the benchmark to any other rate, the HPC must submit notice of its intent to modify the benchmark to the Joint Committee **for further legislative review.**

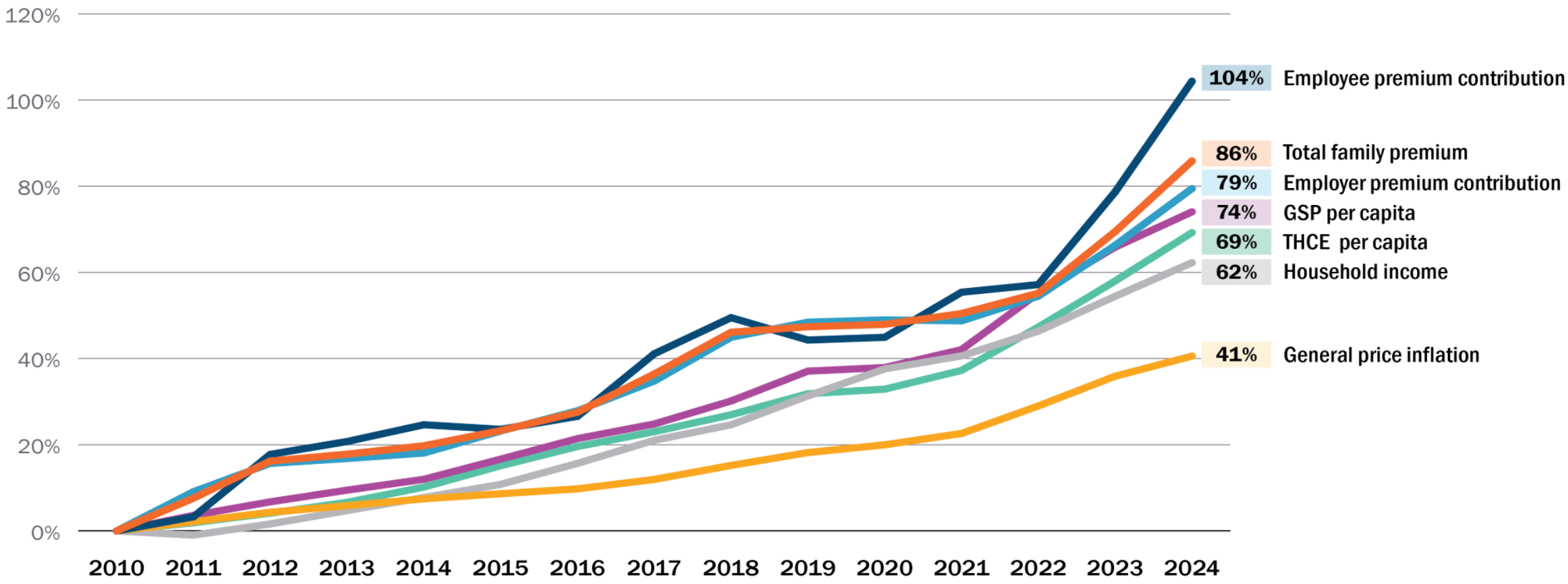
HPC FACTORS FOR REVIEW

In addition to reviewing the latest CHIA report and public testimony, the HPC reviews available data and information from an extensive range of sources in considering whether a modification is warranted. This includes reviewing:

- A broad range of **current health care trends**, including spending, utilization, pricing, patient acuity, capacity, premiums, cost-sharing, coverage, and provider/payer financial performance. If available, MA performance is compared to the U.S.
- Other **current and forecasted economic trends**, in areas such as inflation, labor costs, economic output, and household income, including those specific to the health sector.
- Surveys that measure **health care affordability challenges** for residents and businesses and the rate of residents who report difficulty receiving needed care due to cost.

The growth in health insurance premiums in Massachusetts has exceeded the growth in household income, state economic growth, and inflation from 2010 to 2024.

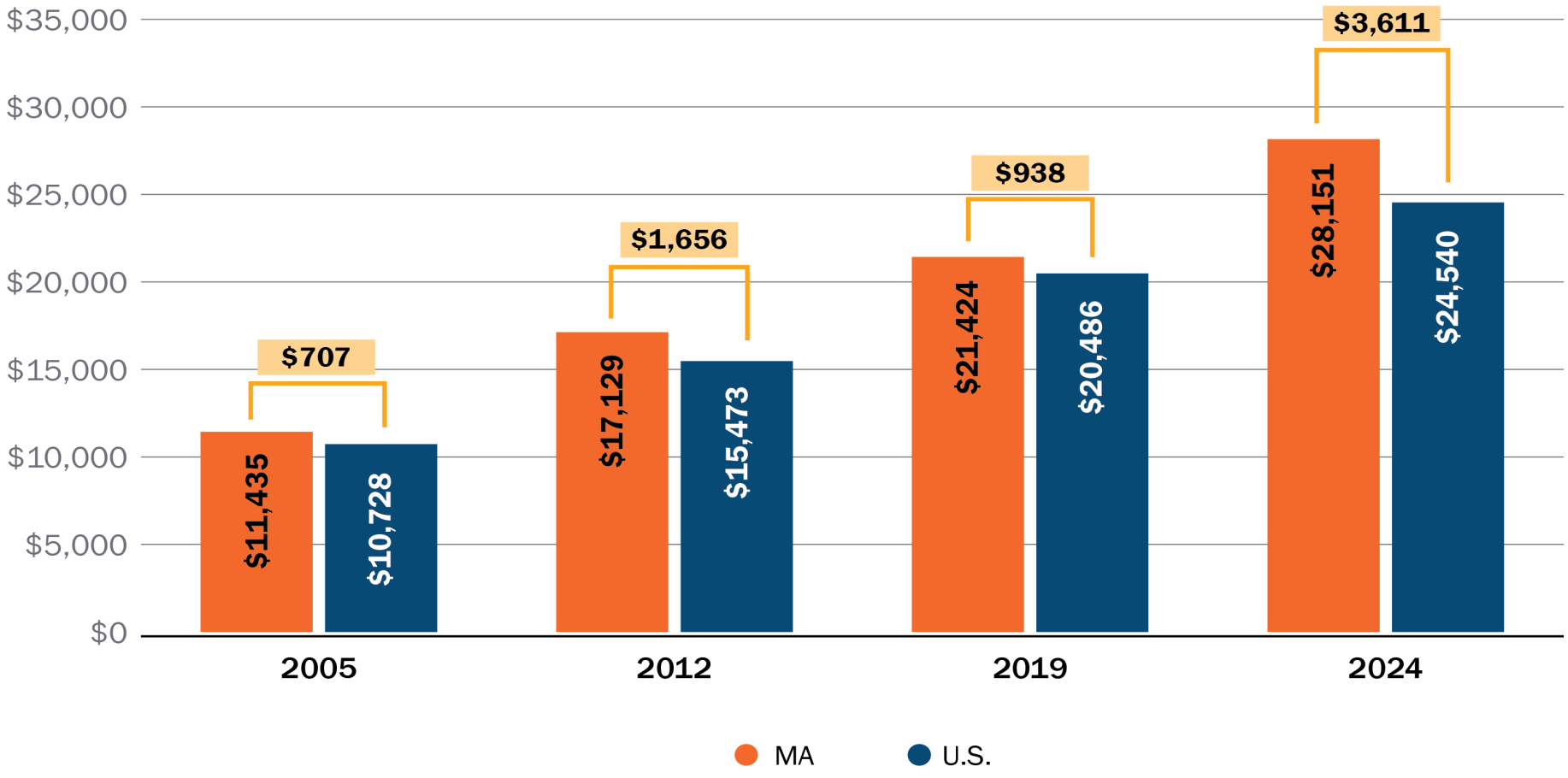
Cumulative growth since 2010 of various health care and economic indicators in Massachusetts



Notes: Data points used to calculate growth rates represent the average of the year shown and the previous year to smooth out trends. THCE per capita growth is from annual reports of the Center for Health Information and Analysis from 2012-2024 and from the CMS State Health Expenditure Accounts for Massachusetts for 2009-2012.
Sources: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey, American Community Survey, CHIA Annual reports, CMS State Health Expenditure Accounts, and Bureau of Labor Statistics (CPI-U for the Boston/Newton/Cambridge metro area).

After years of more moderate growth between 2012 and 2019, premium growth outpaced national trends in recent years, leading to the highest premiums in the U.S.

Average family premium for employer-based coverage, including employer and employee contribution

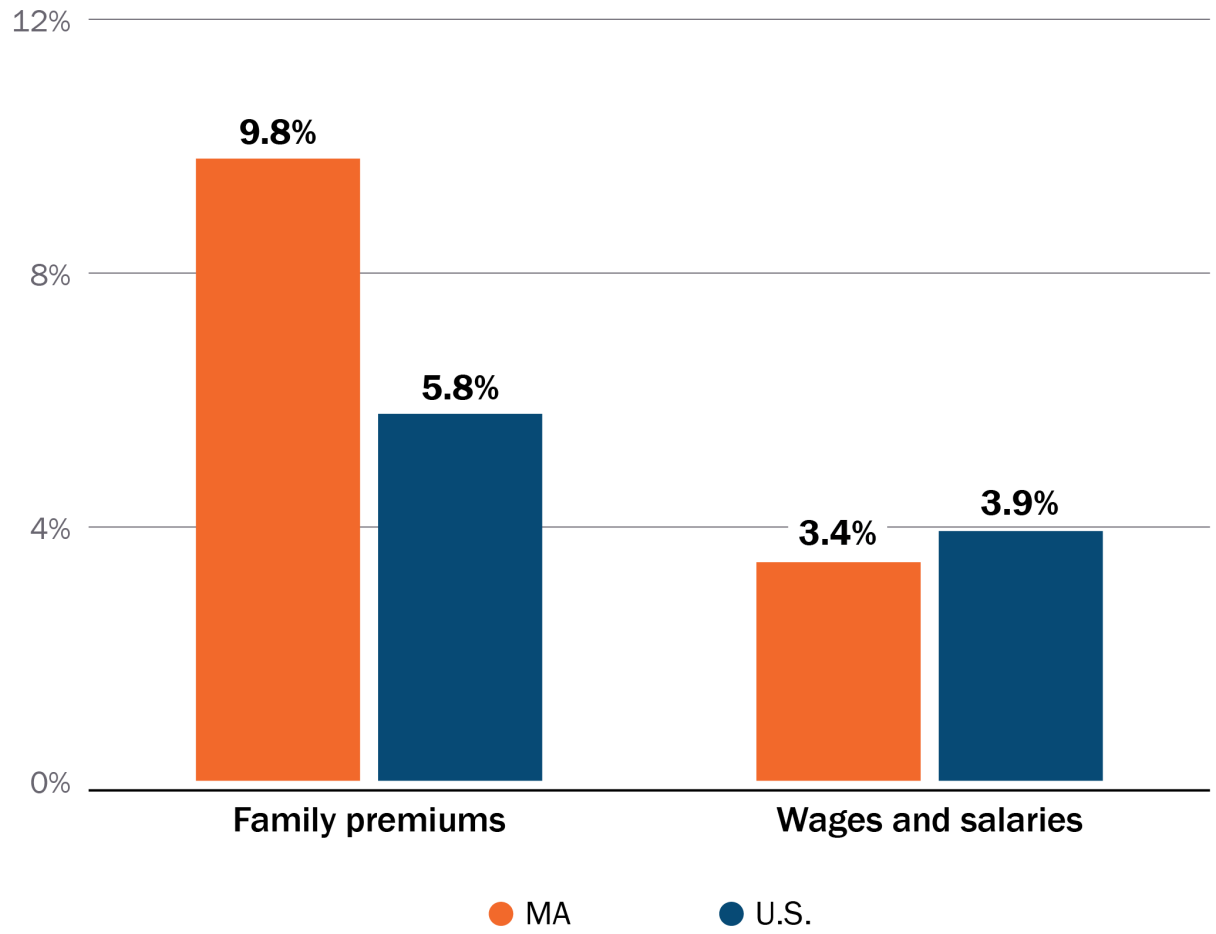


- Family health insurance premiums in Massachusetts exceeded the national average by $3,611, or 15%, in 2024.
- **Future increases may be even larger.** Premium growth in the merged market was 7.9% in 2025 and **11.5% in 2026**, the largest increase since at least 2019

Medical Expenditure Panel Survey: Agency for Health Care Research and Quality

Massachusetts had higher premium growth combined with slower wage growth than the rest of the country from 2022 to 2024.

Percentage growth from 2022 to 2024 in family premiums and average wages in Massachusetts



Sources: Commercial spending and premiums data are based on HPC's analysis of Center for Health Information and Analysis Annual Reports. Labor costs are sourced from the Bureau of Labor Statistics, Economic Cost Index. CPI is from the Bureau of Labor Statistics data for the Boston area MSA. Income distributions are from the American Community Survey and the Current Population Survey, Annual Social and Economic Supplement.

- When employers or municipalities pay more for employee and dependent health insurance, they have **less remaining for wages or hiring new workers**.

Including out of pocket spending, the average cost of health care for a Massachusetts family exceeded $32,000 in 2024.

$28,151
Average premium

$4,318
Average out of pocket spending

$32,469
Annual family health care cost

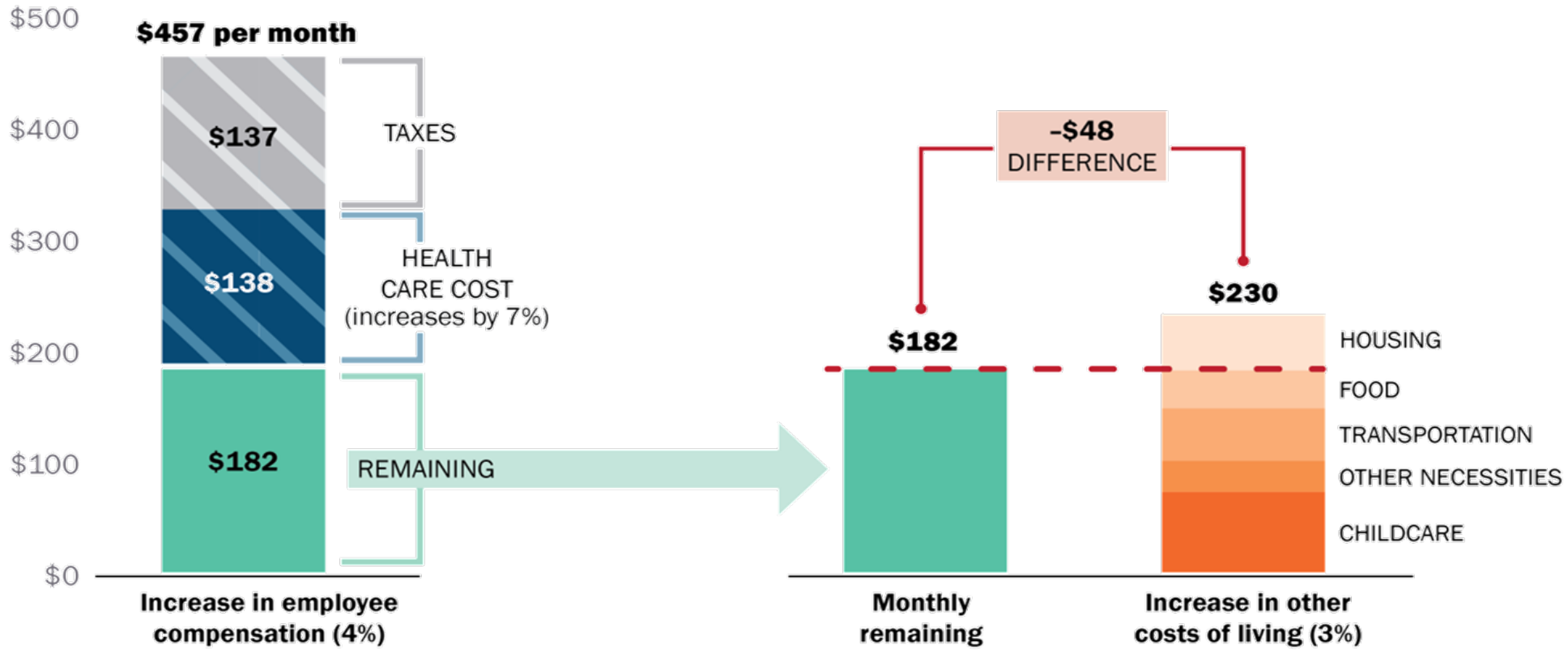
$2,706
Monthly cost per family

Premiums are even higher for employees of small businesses.

Notes: Cost sharing amount based on data on cost sharing relative to premium payments in from CHIA's Annual Report, 2024. Source: Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey-Insurance Component and Center for Health Information and Analysis, Annual Report, 2024; Kaiser Family Foundation/HRET Annual employer health benefits survey.

At 7% annual growth in health care costs, a typical worker with family health coverage would see about 40% of their raise absorbed by health care.

Change in monthly income and expenses for a Massachusetts family with family coverage and earnings of $122,000 with a 4% increase in total compensation from their employer, a 3% increase in prices of other goods and a 7% increase in premiums and out of pocket spending, 2024



Notes: Data based on a two-parent, two-child family in 2024 with total earnings of $122,000 and coverage through their employer. Health care costs reflect 2024 data. Employer contribution to health care premium is included in income. Calculation assumes 75% of employer premium payments are reflected as a deduction from total employee compensation for the employee shown. Prices for all other items are assumed to increase 3%. Marginal tax rate is assumed to be 30%. A 4% raise is slightly above average employee compensation increases in the Boston area in 2024.
Source: HPC's analysis of Economic Policy Institute Family Budget Calculator, January 2025 and AHRQ Medical Expenditure Panel Survey, Insurance Component, 2024. Bureau of Labor Statistics CPI-U for Massachusetts and the Employment Cost Index for the Boston metro area and Massachusetts Division of Insurance.

CHIA's referral of entities is based on an assessment of their health status adjusted total medical expense (HSA-TME) growth, whereas the HPC is charged with contextualizing that growth for each referred entity.

The HPC may require any entity referred to it by CHIA to complete a Performance Improvement Plan (PIP) if, after a review of regulatory factors, it identifies **significant concerns** about the entity's costs and determines that a PIP could result in **meaningful, cost-saving reforms**.

REGULATORY FACTORS	
a	Baseline spending and spending trends over time, including by service category;
b	Pricing patterns and trends over time;
c	Utilization patterns and trends over time;
d	Population(s) served, payer mix, product lines, and services provided;
e	Size and market share;
f	Financial condition, including administrative spending and cost structure;
g	Ongoing strategies or investments to improve efficiency or reduce spending growth over time;
h	Factors leading to increased costs that are outside the CHIA-identified Entity's control; and
i	Any other factors the Commission considers relevant.

Summary of Public Testimony

Organization	Recommendation on 2027 Benchmark Rate
Blue Cross Blue Shield of Massachusetts	3.6%
Employer Coalition on Health	Below 3.6%
Health Care For All	3.6%
Massachusetts Association of Health Plans	At or below 3.6%
Massachusetts Health and Hospital Association	No recommendation on benchmark rate
Massachusetts Medical Society	No recommendation on benchmark rate
National Federation of Independent Businesses	Below 3.6%
Retailers Association of Massachusetts	3.1%

Public Testimony Key Themes

VOTE

Health Care Cost Growth Benchmark for Calendar Year 2027

MOTION

That, pursuant to G.L. c. 6D, § 9, the Commission hereby establishes the health care cost benchmark for calendar year 2027 as _____, subject to the further process set forth in G.L. c. 6D, § 9 (e).

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Regulatory Updates: Chapters 342 and 343 of the Acts of 2024 **(VOTE)**

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

UP NEXT: Market Transaction Reviews

- Preliminary Cost and Market Impact Review (CMIR) Report: Mass General Brigham–CVS MinuteClinic Primary Care **(VOTE)**
- Material Change Notices

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Executive Session **(VOTE)**

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- Material Change Notices

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Presentation Outline

UP NEXT: Background on Cost and Market Impact Reviews

Background on the Parties

Background on the Transaction

Cost and Market

Access and Quality

Summary and Timeline

Vote

Cost and Market Impact Reviews (CMIRs)

The HPC may conduct a Cost and Market Impact Review (CMIR) for transactions anticipated to have "a significant impact on the Commonwealth's ability to meet the health care cost growth benchmark, or on the competitive market."

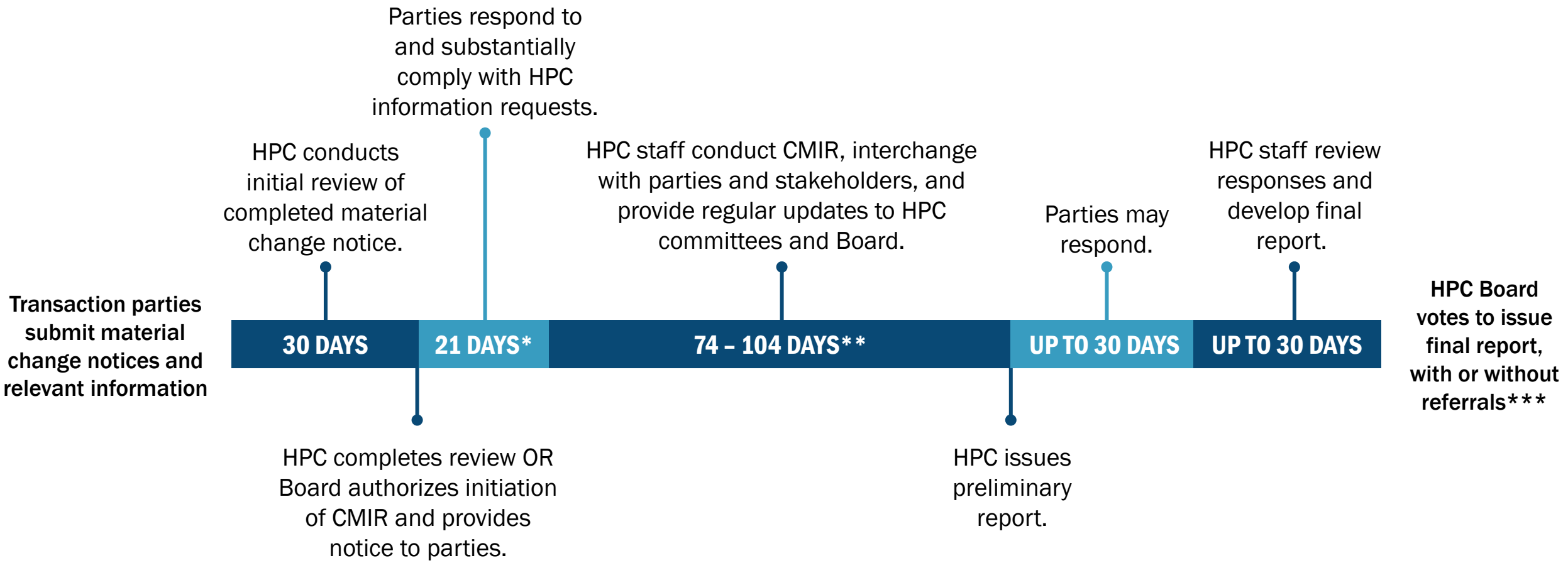
WHAT A CMIR IS

- Comprehensive, multi-factor review of the provider(s) and their proposed transaction
- A public transparency process, including a preliminary report, opportunity for the providers to respond, and a final public report
- An opportunity for accountability, encouraging market participants to address negative impacts and enhance positive outcomes of transactions
- An input to other oversight processes: Proposed changes cannot be completed until 30 days after the HPC issues its final report, which may be referred to the state Attorney General, Department of Public Health, or others for further investigation

WHAT IT IS NOT

- CMIRs are a separate, but complementary, process from Determination of Need reviews by Department of Public Health
- CMIRs are distinct from antitrust or other law enforcement review by state or federal agencies

Timeline for CMIR Review



* The parties may request extensions to this timeline which may likewise affect the timing of the report
** Plus any time granted to parties for responses to information requests
*** The parties must wait 30 days following the issuance of the final report to close the transaction

Presentation Outline

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About Mass General Brigham (MGB)

- **Mass General Brigham (MGB)**, the largest health system in Massachusetts, is the parent organization of an integrated health system founded by academic medical centers **Brigham and Women's Hospital (BWH)** and **Massachusetts General Hospital (MGH)**. MGB also owns Mass General Brigham Health Plan.
  - MGB includes community and specialty hospitals, outpatient centers, community health centers, a network of employed and affiliated physicians, home health and long-term care services, and other health-related entities.
  - Its accountable care organization, MGB ACO, provides payer contracting, population health management, and quality improvement programs for MGB's network of owned and affiliated providers.
- In FY24, MGB's total margin was **9.5%** (compared to a statewide average of -6.6%). Its operating margin was **0.2%** (compared to a statewide average of 0.3%). MGB had **256** days cash on hand (compared to statewide average of 24 days) and its current ratio was **3.1** (compared to a statewide average of 1.2).[1]
- In 2024, MGB's physician network included 7,776 physicians, approximately 30% of all physicians in MA. Of these physicians, 1,206 (15.5%) were primary care physicians and 6,570 (84.5%) were specialists.[2]
- MGB has reported significant wait times for primary care in its provider network and announced in 2023 that its main MGH and BWH campuses would not be accepting new primary care patients.

Mass General Brigham

Sources: 1. CHIA Hospital and Hospital Health System Annual Performance Dashboard; 2. HPC analysis of 2024 MA-RPO physician roster data; 3. https://www.massgeneralbrigham.org/en/about/newsroom/press-releases/primary-care-access.

About CVS Health

- CVS Health is the second largest healthcare company in the US. CVS owns a network of more than**9,000** pharmacies, the insurer **Aetna**, and the pharmacy benefit manager **Caremark**. CVS operates more than **900 MinuteClinic** "convenience care" locations in select CVS Pharmacy and Target stores in 33 states and Washington, D.C.
- MinuteClinic operates **37 sites across the Commonwealth co-located in CVS retail locations**, primarily in Eastern and Central MA. MinuteClinic sites are licensed as **limited services clinics**.
  - MinuteClinic services, known as **"convenience care,"** currently include: diagnosing, treating, and writing prescriptions for common illnesses, such as strep throat and upper respiratory infections, administering vaccinations (e.g., for flu, pneumonia, or COVID-19), treating minor wounds and skin conditions, providing some wellness services (e.g., sports and camp physicals), and providing some screening tests (e.g., for diabetes or high blood pressure).
  - MA MinuteClinic sites are staffed by **Advanced Practice Practitioners** (**APPs**), who are nurse practitioners.
  - MA MinuteClinic sites currently serve all ages, and an average of 15% of visits are for children (up to 24% in some locations). MinuteClinic provides 20,000 pediatric visits per year.
- CVS launched a **national primary care strategy** in 2024. **MinuteClinic Primary Care (MCPC)** now operates in **12 states and Washington, D.C.**

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Summary of the Parties' Plans and MGB-CVS Affiliation

- CVS proposes to transition its **37 MinuteClinic sites** in Massachusetts to become **MCPC sites**, offering longitudinal primary care to a patient panel. CVS would apply to the Department of Public Health for full clinic licensure of its MInuteClinic sites.
- CVS plans to transition sites over **two to three years**, beginning with **five** in the first year. CVS has not yet determined which sites to prioritize.
- MCPC proposes to provide **adult patients** with both primary care and convenience care. It would not offer pediatric primary care and would no longer offer convenience care for children.
- The parties state that approximately **80 existing CVS APPs** could have primary care panels of up to **1,500 patients each**, which could create capacity to serve **up to 120,000 adults**.
  - However, CVS expects only a portion of this capacity to be used by primary care patients. Assuming "moderate acceptance" of this new primary care model in Massachusetts, CVS expects **35% of MCPC's patients to be primary care patients (42,000 primary care patients)** by year three, with an associated **reduction in convenience care of 45%** .
  - CVS has indicated that it has resources to hire one additional registered nurse (RN) or Licensed Practical Nurse (LPN) at each of the initial MCPC sites to support its current APPs in leading primary care panels and that it plans to hire additional RNs and LPNs as needed as patient panels grow.
- MCPC's providers would become primary care providers within the MGB network, participate in MGB's risk contracts with major payers, and **receive MGB rates for both primary care and convenience care** for those payers.
- MCPC would join MGB's Accountable Care Organization (ACO) and participate in MGB's quality and care delivery programs.

Source: MCN Forms submitted by MGB and CVS

As shown in the HPC's report "A Dire Diagnosis," there is a primary care crisis in the Commonwealth.

- Adequate spending on and access to primary care is associated with better health outcomes, including lower mortality, fewer emergency department visits, hospitalizations, and procedures per capita.
- Despite the importance of timely primary care, Massachusetts residents lack sufficient access.
  - In 2025, 43% of Massachusetts residents reported having difficulty accessing care, most often due to difficulty getting appointments.
  - Hispanic and Asian residents were less like to have a PCP, as were those with lower family incomes.
- The primary care crisis is driven in large part by limited primary care capacity, including physicians and other clinicians.
  - The share of nurse practitioners working in office-based settings fell from 26% in 2018 to 21% in 2022.
- Two key factors disincentivize graduates from primary care and drive practicing providers out of the field:
  - Relatively low salaries
  - The administrative burden associated with providing primary care
- The HPC recommended that the Commonwealth take action to reduce sources of administrative burden, strengthen the primary care provider pipeline, and increase spending for primary care.

Sanjay Basu, et al. *Association of Primary Care Physician Supply With Population Mortality in the United States, 2005-2015*, JAMA Intern Med. February 18, 2019, *available at* https://pubmed.ncbi.nlm.nih.gov/30776056/ (last accessed March 27, 2026). HPC. "A Dire Diagnosis: The Declining Health of Primary Care in Massachusetts and the Urgent Need for Action." January 2025. *Available at* https://masshpc.gov/publications/policyresearch-brief/dire-diagnosis-declining-health-primary-care-massachusetts-and; Percentage of Massachusetts medical and osteopathic physicians practicing in primary care 6 to 8 years after graduation. Center for Health Information and Analysis. "Massachusetts Primary Care Dashboard". June 2025. *Available at* https://www.chiamass.gov/assets/docs/r/survey/MHIS-2025/2025-MHIS-Report.pdf https://www.chiamass.gov/assets/docs/r/pubs/2025/MA-PC-Dashboard-2025.pdf

Key Transaction Goals

The parties expect MCPC's novel primary care model to help alleviate the Commonwealth's primary care crisis in general and support MGB to increase access to primary care for its own patients, in particular.

- The parties' goal is to expand access to primary care for patients without a primary care provider (PCP) from the following sources:
  - Current MinuteClinic patients;
  - Patients on an MGB PCP waitlist;
  - Patients who have an MGB PCP who separated due to retirement or changes in employment.
- The parties expect the following access and quality benefits:
  - Extended primary care hours during evenings and weekends
  - Shorter wait times for primary care appointments
  - Lower rates of unnecessary ED and hospital utilization, including in MGB hospitals
  - Reductions in care gaps and improvements in chronic disease management
  - High-quality care provision through MCPC participation in MGB's quality and care delivery programs

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Cost and Market: Factors Examined

1. The **parties' prices, spending, and market shares** in their primary service areas compared to other providers

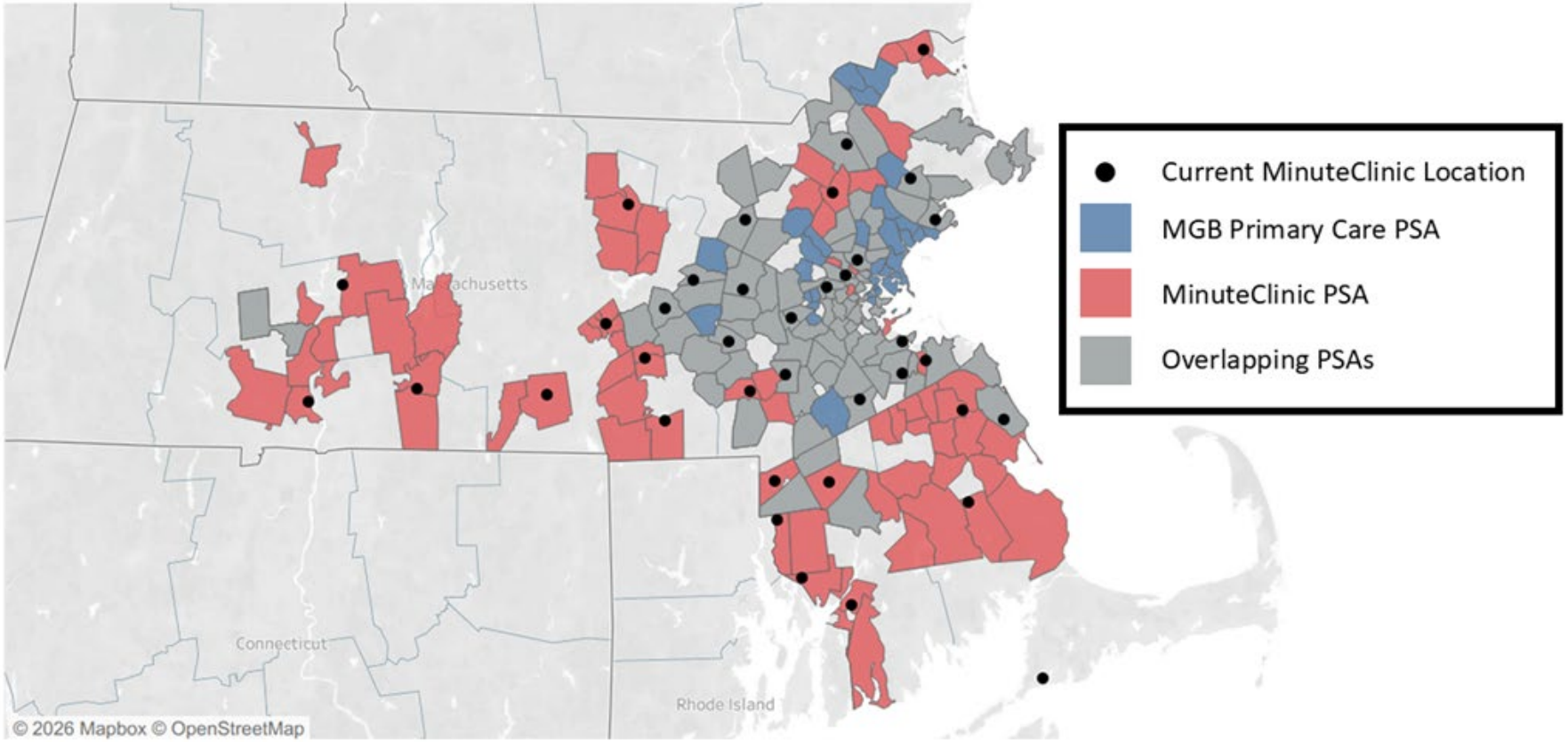
2. The likely **spending impact** of the proposed transaction, including spending from:
   - spending for **new MCPC primary care patients**
   - convenience care services provided by MCPC getting **reimbursed at MGB rates**
   - convenience care patients being **diverted from MinuteClinic to other providers**

3. Potential for **additional impacts** beyond what HPC is able to quantify

4. Potential for additional longer-term savings from **increased access to primary care**

MGB and CVS are both very large health care organizations and well-established providers in eastern Massachusetts; MinuteClinic's patient population is somewhat more distributed across the state.

2023 Commercial Adult Primary Service Areas

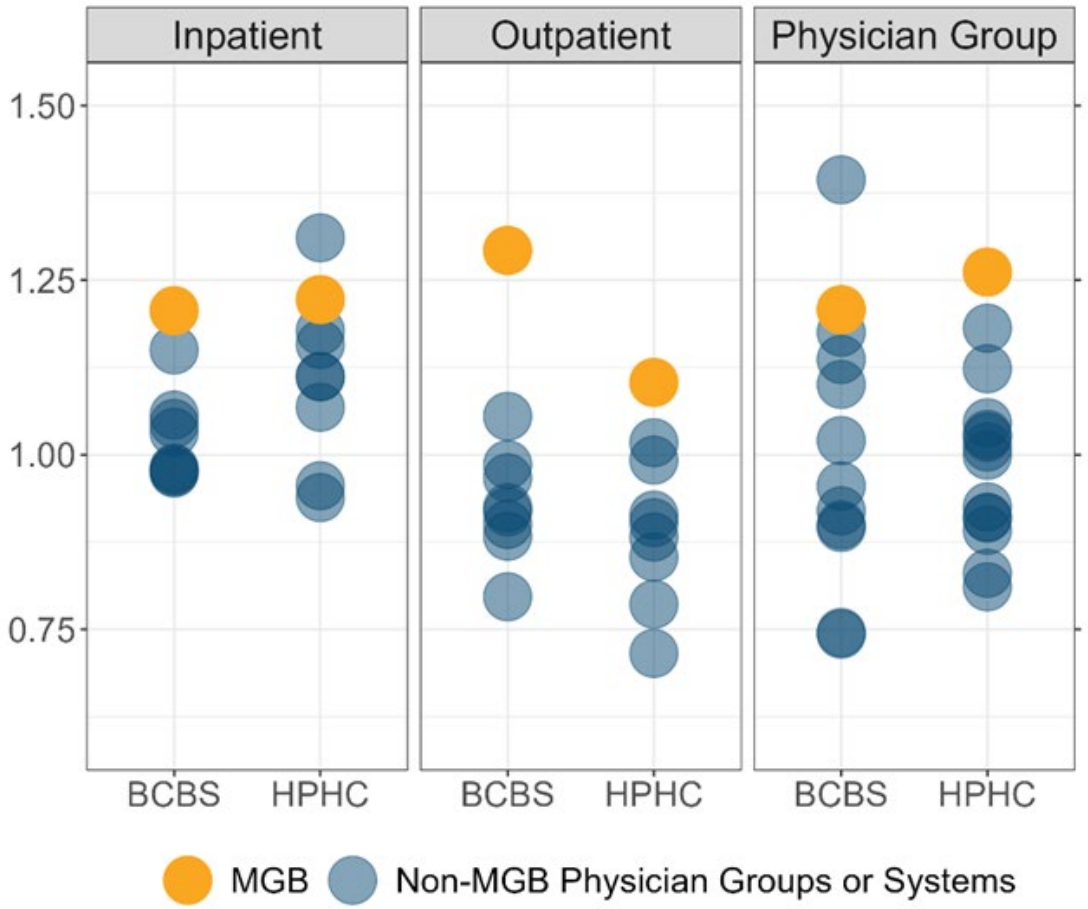


- MGB provides more primary care physician services in Massachusetts than any other provider organization, with 17% of commercial adult primary care visits and 24% of revenue statewide.

Source: HPC analysis of 2023 APCD claims data and 2024 RPO data.

MGB hospitals are among the state's most expensive hospitals and MGB physicians are more expensive than most other physician groups.

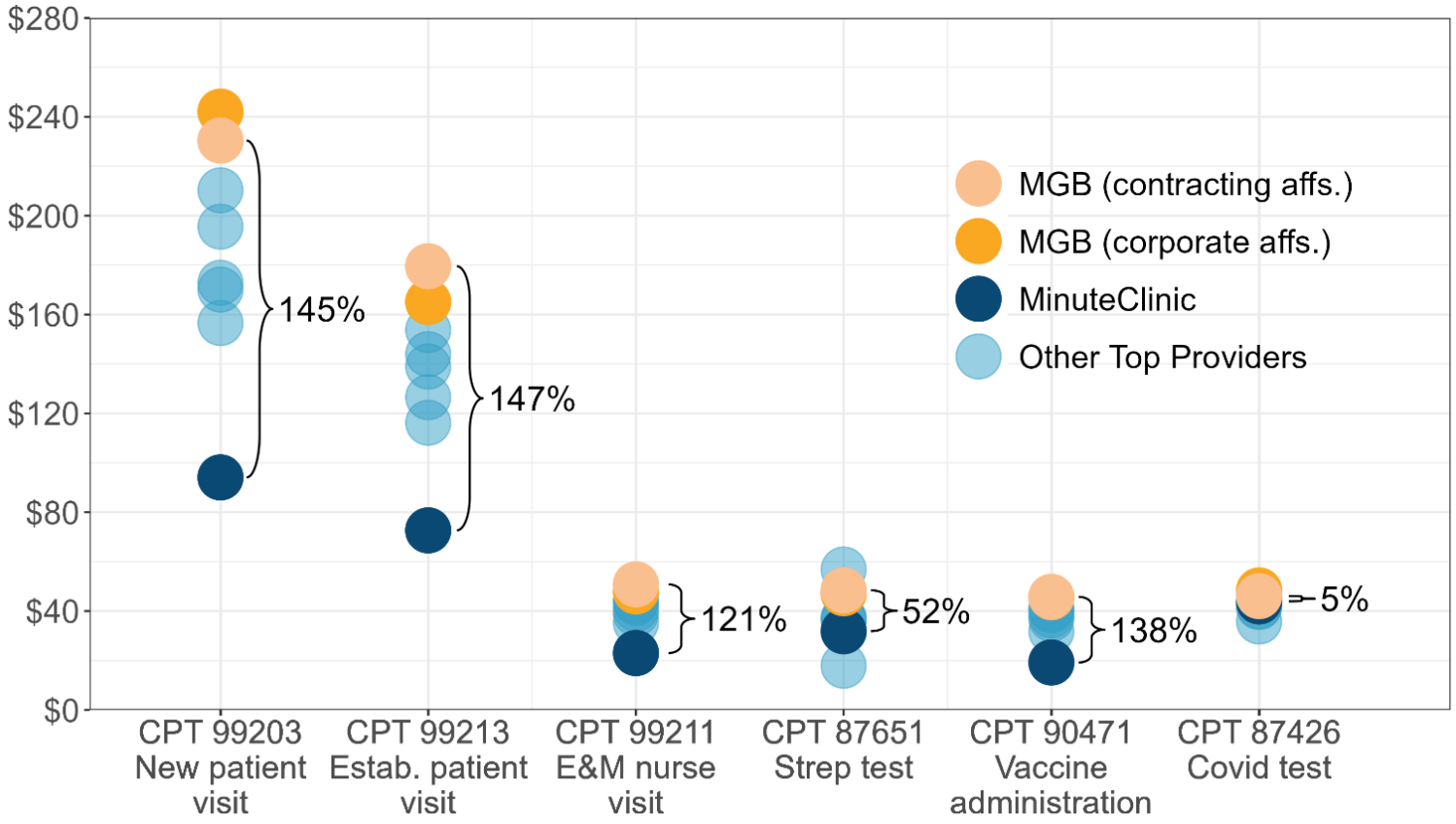
Physician Group and System Average Hospital Relative Price (2023)



Source: HPC analysis of CHIA Relative Price Databook
Notes: Because relative price is calculated individually by payer, the price level associated with each payer's network average relative price (1.0) is not the same for different payers. Therefore, relative price should not be compared across payers.
Comparator physician groups include: Atrius Health, BILH (including BIDCO, Lahey Clinical Performance ACO, Lahey Physician Community Org, and MACIPA), Boston Medical Center Mgt Service, Lawrence General IPA, Reliant Medical Group, Signature Healthcare Medical Group, South Shore PHO, Southcoast Physician Group (/Network), Steward Network Services, Tufts Medicine Integrated Network (including Lowell General PHO and New England Quality Care Alliance (NEQCA)), and UMass Memorial Medical Group/UMass Memorial Medical Center-Based Practices.
Comparator systems include: BILH, BMC, Baystate, Steward, Tenet, Tufts, UMass, and a category for independent community hospitals.

MGB APP prices are more than double MinuteClinic prices for many of the most common MinuteClinic services.

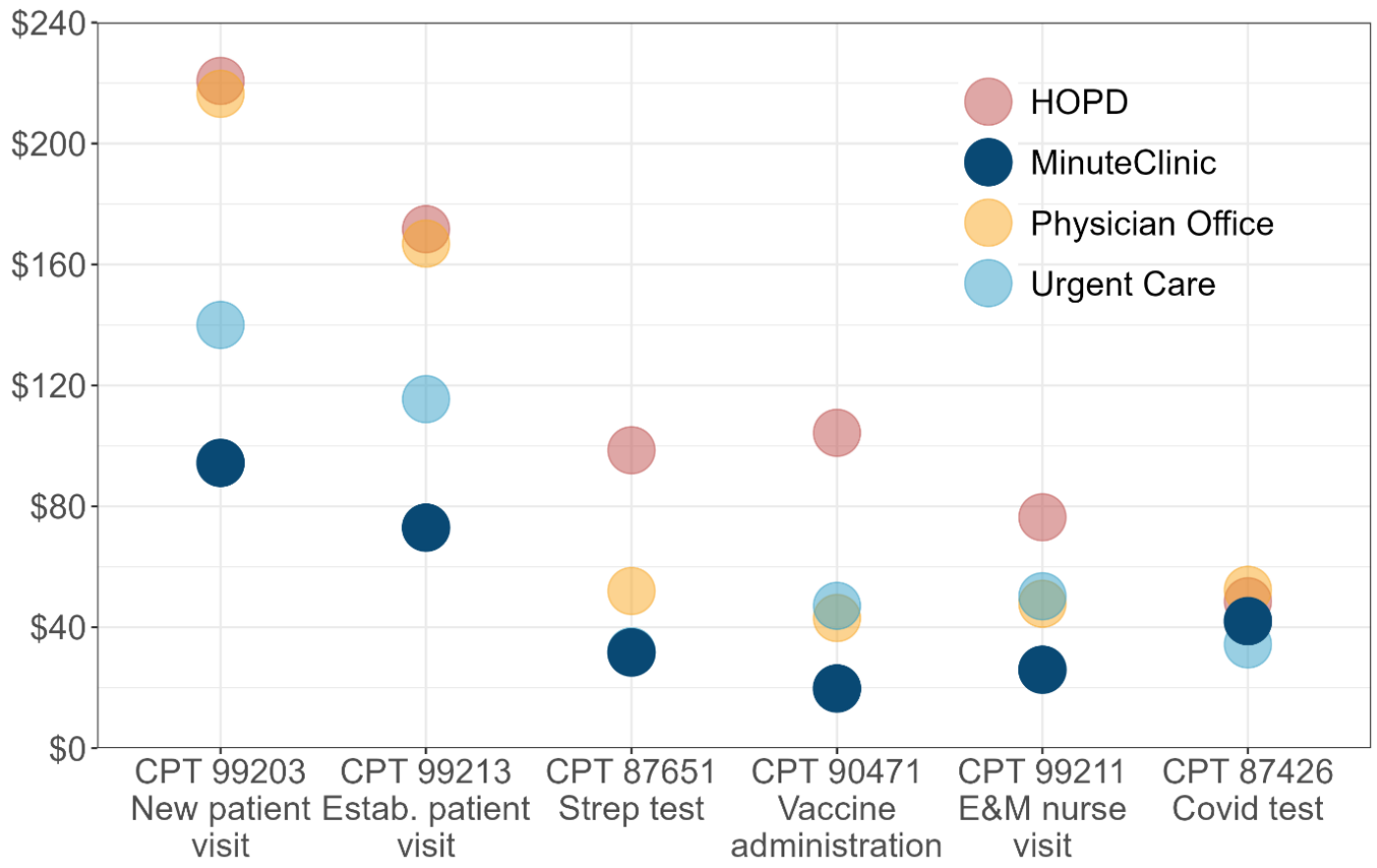
Average APP Price for Top MinuteClinic Services by Provider



Note: The columns show MinuteClinic's top 6 CPT codes by volume. Prices are all-payer averages across the seven APCD payers, weighted by each payer's statewide share of adult primary care and MinuteClinic volume for the CPT code. Prices are calculated using claims for adult PCPs attributed to each provider organization. APP prices for non-MinuteClinic providers are calculated by multiplying physician prices by 0.85. Text labels show the percent difference between MGB contracting affiliates and MinuteClinic prices.
Source: HPC analysis of 2023 APCD claims data.

Other provider types that commonly provide the same services as MinuteClinic tend to have higher average prices than MinuteClinic.

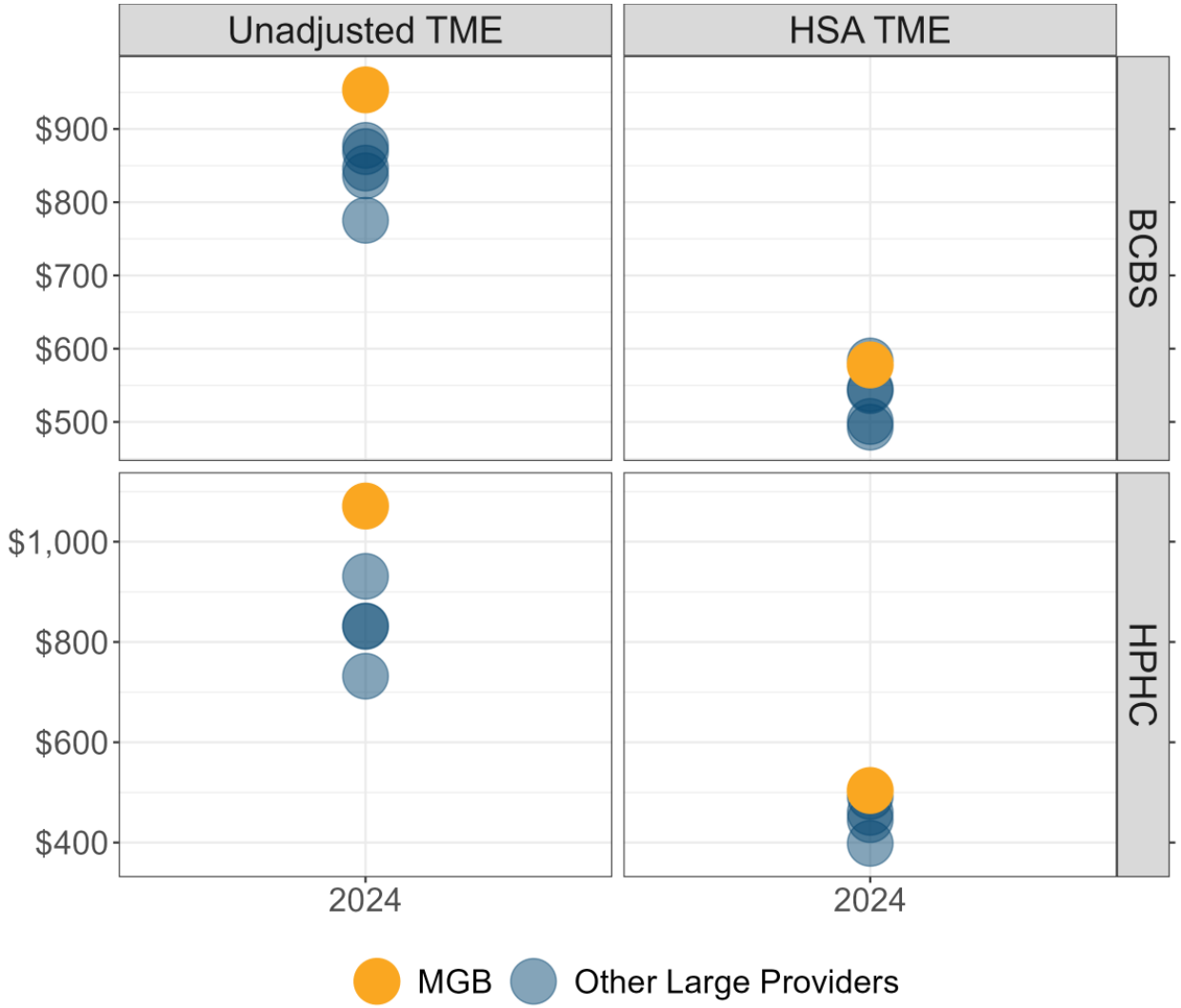
Average Price for Top MinuteClinic Services by Care Setting



Note: The columns show MinuteClinic's top 6 CPT codes by volume. Prices are all-payer averages across the seven APCD payers, weighted by each payer's statewide share of volume for the CPT code.
Source: HPC analysis of 2023 APCD claims data.

Total spending is generally higher for MGB's primary care patients than for patients of other provider organizations.

Unadjusted and HSA TME by Payer (2024)



Note: Data is filtered to PCP Type 1 and non-pediatric contracts. HSA TME cannot be compared across payers.
Source: HPC analysis of data from the CHIA Annual Report 2026.

Commercial Spending Impact

The proposed transaction has the potential to impact commercial health care spending through three primary quantifiable mechanisms:

1. Spending for New Primary Care Patients
2. Repricing of Convenience Care Services
3. Diversion of Some Convenience Care to Other Providers

The HPC modeled each of these mechanisms using CVS's assumptions that:

- MCPC would fill **35% of its primary care panels** by year three with "moderate acceptance" of its new primary care model
- The payer mix of the new primary care panel will reflect that of MinuteClinic's current payer mix, which is **81% commercial**
- MCPC's new primary care panel would come primarily from patients in MinuteClinic's service area who **do not currently have a PCP**

Mechanism 1: Spending for New Primary Care Patients

- New MCPC primary care patients would likely have changes in both their **care utilization patterns** and in the **price of services** they would receive.
- The HPC examined how spending changed for patients in the MinuteClinic PSA who switched from having no PCP to having an MGB contracting affiliate PCP using claims data over a five-year period.
  - On average, their annual risk-adjusted claims-based **spending increased by $650** after they became MGB patients.
- The HPC also examined annual non-claims payments, and found they were **~$165 higher for MGB members** than for members with no PCP.
- Combined, increases in claims and non-claims spending would have an annual commercial spending impact by year three of **$27.7 million.**

Mechanism 2: Repricing of Convenience Care Services

- MCPC is expected to continue to provide a reduced volume of convenience care services at MGB's higher prices.
- The prices of MGB's contracting affiliate APPs are 129% higher than MinuteClinic prices for MinuteClinic convenience care services.
- Combining the expected changes to convenience care volume with the price differential between the two parties, commercial spending is likely to increase by an additional **$6.6 million annually**, or $105 per MCPC convenience care visit.

Mechanism 3: Diversion of Some Convenience Care Patients to Other Providers

- Because MCPC expects that a portion of its capacity would be allocated to primary care post-transaction, some patients who may have sought convenience care at MinuteClinic would be diverted to other providers.
- The HPC identified a list of comparator convenience care providers that patients would use as an alternative to MinuteClinic.
  - The HPC found that 66% of encounters would divert to primary care providers in physician offices; 18% to urgent cares; 12% to HOPDs; and 4% to other settings.
- On average, comparator convenience care providers' prices were 94% higher than MinuteClinic's.
- Combining this price differential with the estimated volume of diverted convenience care, the HPC estimates an annual commercial spending increase of **$5.9 million**, or $114 per diverted convenience care visit.

Combining across all three mechanisms, this transaction is likely to increase commercial healthcare spending by approximately $40.2 million annually.

- This spending impact is **conservative** and does not take into account the following:
  - The potential for MCPC to be more successful in filling its primary care patient panels or growing them over time;
  - An increase in MGB's bargaining leverage due to an expanded primary care footprint; and
  - Price increases for convenience care provided under the contracts that MCPC negotiates independently.
- It relies on CVS's assumption of "moderate acceptance" of its model by year three.
  - If MCPC were successful in filling its primary care panels to 100%, the annual claims-based spending impact would be **more than $76 million**, with additional non-claims spending.
  - The repricing of MinuteClinic's convenience care services to MGB prices would happen immediately, and if it didn't provide any primary care, the annual spending impact of repricing its full convenience care volume would be **$12 million**.

Expanding access to primary care could result in longer-term health care savings. The likelihood and scope of additional savings depends heavily on the success of the new MCPC model.

The parties highlight the potential for savings associated with increasing the state's primary care capacity, due to factors such as better management of chronic health conditions, preventive care, and ED visits.

The HPC acknowledges the potential for increased access to high-quality, comprehensive primary care to result in cost savings, as well as in improved health outcomes for patients.

Some of the savings from increased access to primary care are already incorporated into the HPC's spending estimates.

- The HPC examined claims-based spending for new primary care patients of MGB affiliates over up to four years (two years on average) after becoming a patient of MGB using a multivariate regression model to control for key variables like patient risk.
- This allowed the HPC to base spending estimates on the actual experience of similar patients after selecting an MGB-affiliated PCP.
- Thus, the HPC's spending estimates already incorporate observed changes to utilization patterns over that period that likely reflect improved care management, e.g. reductions in inpatient spending, as well as other changes to utilization and price.

Expanding access to primary care could result in longer-term health care savings. The likelihood and scope of additional savings depends heavily on the success of the new MCPC model.

- There is a potential for longer-term savings if the MCPC model is successful in meaningfully improving access to high-quality primary care for adults in Massachusetts
- In addition to its benefits for patient health outcomes, access to high-quality primary care is associated with, for example, lower rates of hospitalization and reduced ED utilization.
- However, the likelihood and scope of savings depends on a number of factors. Greater savings have been found, for example, for:
  - High-quality, long-term longitudinal care with the same provider; and
  - Higher complexity patients.
- Ultimately, the likelihood and scope of additional longer-term savings depends heavily on the success and sustainability of the new MCPC model in enhancing access to high-quality and comprehensive primary care.

Cost and Market Summary

MGB and CVS are large provider organizations and important access points for primary care and primary care adjacent convenience care services, respectively, in Massachusetts. CVS MinuteClinic is lower-priced than other comparable providers, and especially lower-priced than MGB, which generally has the highest prices in the Commonwealth. MGB primary care patients have the highest spending among the largest Massachusetts provider organizations.

The transaction is likely to impact health care spending in key quantifiable ways:

- **Spending for New Primary Care Patients:** New MCPC primary care patients are expected to receive primary care services at MGB's higher prices and are expected to be referred to higher-priced MGB specialists and hospitals (**$27.7 million** annually).
- **Repricing of Convenience Care Services:** The convenience care MCPC would continue to provide would be repriced at MGB prices, which are 129% higher than MinuteClinic's current prices (**$6.6 million** annually).
- **Diversion of Some Convenience Care Patients to Other Providers:** As MCPC develops its primary care panels and correspondingly decreases its convenience care capacity, some patients would seek care at other, generally higher-priced providers, (**$5.9 million** annually).

Cost and Market Summary

- These estimates are likely to be conservative:
  - The potential spending impact would be substantially higher if MCPC sites were to each fill their primary care patient panels to the maximum size.
  - Due to data limitations, these estimates also do not incorporate additional factors that would likely increase commercial spending, including the impact of additional bargaining leverage for MGB as a result of this expansion of MGB's primary care footprint
- The scope and likelihood any additional savings from expanding access to primary care depends heavily on the success of this new MCPC model.

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Access and Quality: Factors Examined

1. Current provision of primary care and convenience care and **payer mix**
2. Current **quality performance** and quality improvement strategies
3. MCPC sites' potential to **increase access to primary care**, especially for populations that face access barriers
4. Potential to **decrease access to convenience care**, particularly for children
5. Factors likely to impact the model's **long-term sustainability**
6. The degree to which the proposed model constitutes comprehensive primary care, using the **MassHealth Primary Care Sub-Capitation Program**
7. The transaction's potential to support delivery of **high-quality** primary care

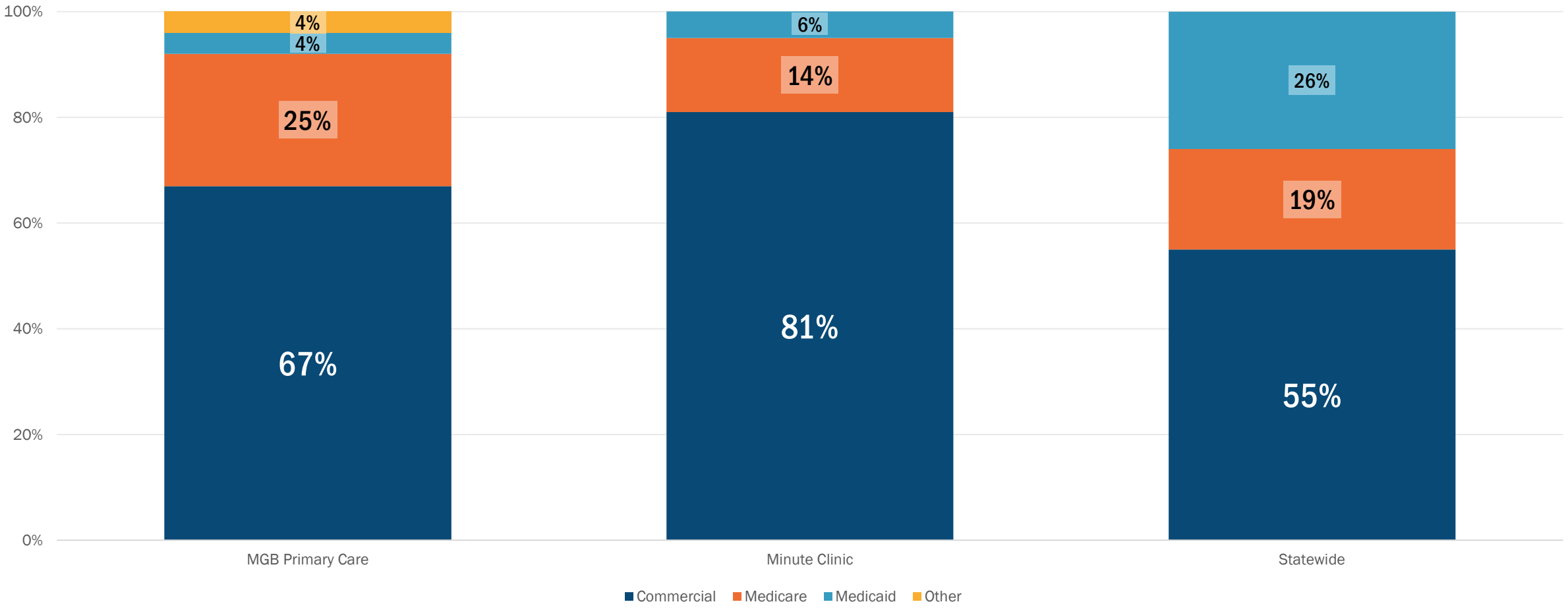
MGB and MinuteClinic are important access points for primary care and convenience care services, respectively, in MA.

- MGB is the **largest provider of primary care physician services** with more than 1,200 primary care physicians,[1] representing 24% of the Commonwealth's spending on these services.[2]
- At MGB's 59 primary care offices,[3] patients receive comprehensive primary care including physical examinations, vaccinations, screenings, and treatment for illnesses and chronic conditions.
- MinuteClinic's 37 locations staffed by approximately 80 APPs[4] are the only limited services clinics in Massachusetts. They served 140,000 patients in 2024, 15% of which were pediatric patients.
- Historically, MinuteClinic has been an **important access point for a number of services that are generally considered to be primary care services**, such as screenings, vaccines, infectious disease testing, and routine lab tests.

1. HPC analysis of 2024 MA-RPO physician roster; 2. [Need citation]; 3. Find Locations, Mass General Brigham, available at https://www.massgeneralbrigham.org/en/patient-care/services-and-specialties/locations.location=Primary%20Care%20Office (Last visited March 10, 2026); 4. CVS MCN Form

MGB and MinuteClinic serve larger proportions of commercial patients and lower proportions of Medicaid patients than the statewide average.

Party Payer Mix Compared to Statewide Enrollment



Source: Data confidentially provided to the HPC from the parties (MGB, CVS). MGB reflects patients with an MGB PCP as of August 2025. CVS payer mix reflects Massachusetts patients from calendar year 2024. Statewide data, obtained from CHIA enrollment data, reflects trends through September 2025. ConnectorCare and HealthSafetyNet were included as Medicaid for both MGB and Statewide breakouts. CVS' payer mix did not include a breakout including ConnectorCare.

MGB and CVS Quality Performance

- MGB performed **in line with or higher than the statewide average rate on most primary care quality measures**, with higher performance on measures of adult diagnostic and preventive care, screening and prevention, and chronic care.[1]
- Quality measures tracked by MinuteClinic, and provided to the HPC, appear to indicate generally strong performance.[2]
- Both parties have various tools in place to support the provision of high-quality care.
- CVS has maintained Ambulatory Health Care Accreditation from the Joint Commission since 2006 and has NCQA certification for credentialling and privileging processes.[5]

Source: 1: HPC analysis of CHIA Clinical Quality and Patient Experience Measures. 2023, 2, 3, 4, 5

The transaction has the potential to increase access to primary care services for adults. However, it would reduce access to convenience care services, particularly for pediatric patients.

- The transaction has **the potential to increase access to primary care for adult patients**, but it depends on the success of the model over time and on some key details that have not yet been determined.
- The MCPC payer mix is expected to remain primarily commercial following the transaction; expanding access to government payer populations would likely require **targeted outreach** to underserved patients.
- Extended hours and staffing are proposed at MCPC sites, but not all MinuteClinic sites are currently open for the standard operating hours.
- The shift away from the all-ages convenience care only model would **eliminate access to convenience care for children** and may reduce access to such services for adults.
- It is unclear whether this new primary care model would be successful over the long term; to the extent it fails, access may be reduced relative to the status quo.
- Staff training and retention will be key to achieving a sustainable primary care model at MCPC in Massachusetts.

The HPC examined six metrics to predict which MinuteClinic sites would have the greatest potential for improved primary care access.

- MCPC sites would be created by converting existing MinuteClinic sites. Any resulting improvement in access to primary care would be centered on the communities surrounding those sites.
- CVS expects to transition five sites in the first year and all sites within 2 to 3 years.
- The parties stated that MinuteClinic's retail locations overlap with some high-need, high-Medicaid communities including Worcester, Springfield, Lawrence, Brockton, Fall River, and Lowell.[1]
- The HPC analyzed current MinuteClinic sites using **six metrics of primary care availability and need**:
  - Primary care physicians per 100,000 MA residents[2]
  - Share of non-elderly adults covered by MassHealth[3]
  - Share of commercially insured adults with no primary care spending[4]
  - Share of people with non-emergency ED use[5]
  - Area Deprivation Index (ADI)[6]
  - HRSA Medically Underserved Area[7]

1. CVS MCN Form; 2. Area Health Resource File 2022-2023; 3. Georgetown University McCourt School of Public Policy analysis of 2022-2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS); 4. HPC analysis of v2023 APCD; 5. [Need citation]; 6. University of Wisconsin Neighborhood Atlas; 7. HRSA

MinuteClinic should consider prioritizing sites in communities with the most potential for improving access.

- Based on the HPC's analyses, MinuteClinic sites in **Hampden, Plymouth**, and **Bristol** Counties appear to have the greatest potential for improving access.

Lower numbers of PCPs per 100,000 MA residents

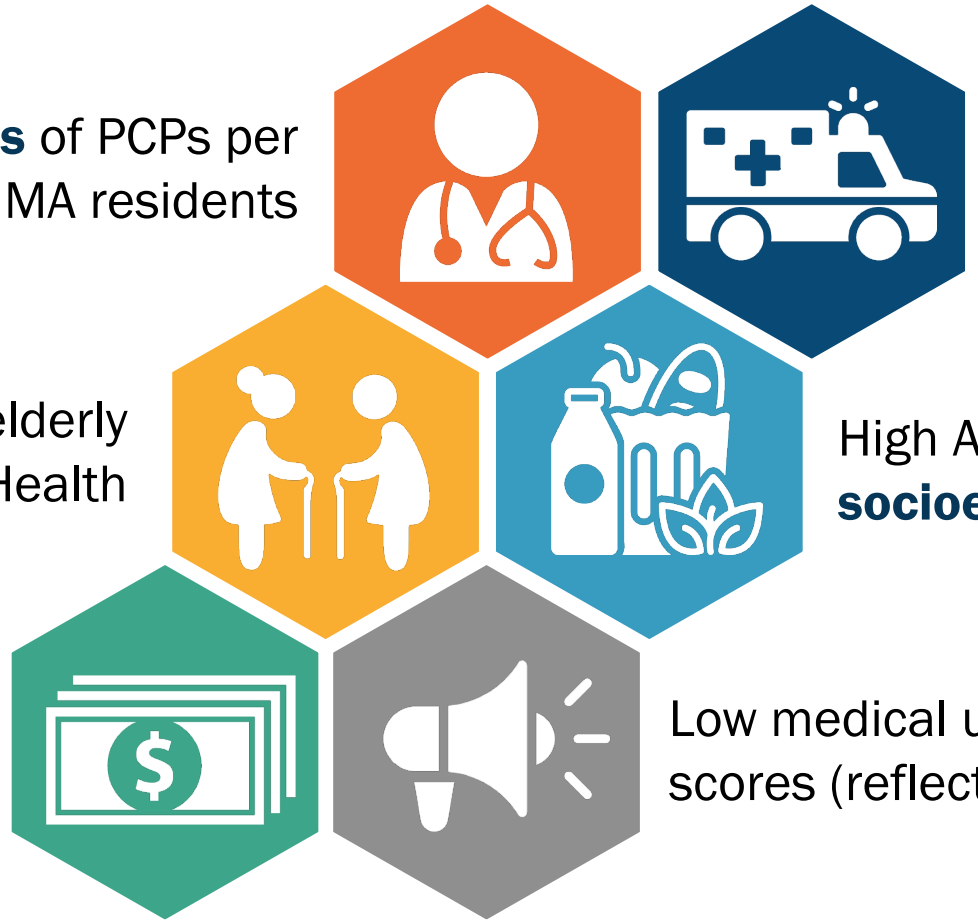
Higher shares of people with non-emergency ED use

Higher shares of non-elderly adults covered by MassHealth

High ADI (reflecting **greater socioeconomic burden**)

Higher shares of commercially insured adults with no primary care spending

Low medical underservice scores (reflecting **greater need**)



Evaluating MCPC's Proposed Care Delivery Model

- In response to the access challenges facing the Commonwealth, the parties are proposing **a novel model of providing primary care services**.
- A critical consideration is whether this care delivery model appears designed to deliver comprehensive primary care for Massachusetts residents.
- However, there is no universal definition of or framework for evaluating primary care services.
- The HPC considered several potential frameworks and ultimately focused on **MassHealth's Primary Care Sub-Capitation clinical tier criteria** to inform our evaluation of the parties' proposed model:
  - These criteria are **comprehensive**, were **developed recently**, and are **specific to Massachusetts**; and
  - MCPC has stated that it **intends to participate** in the MassHealth Primary Care Sub-Capitation program as a Tier 1 practice, making these criteria especially relevant to MCPC.

Alignment of CVS MinuteClinic Primary Care to MassHealth Primary Care Sub-Capitation Program Requirements

MassHealth Primary Care Sub-Capitation Program Tier 1 Clinical Criteria		Service Planned for MCPC
Care Delivery Requirements	Traditional primary care	Yes
	Referral to specialty care	Yes
	Oral health screening and referral	No
	Behavioral health (BH) and substance use disorder screening	Partial
	BH referral with bi-directional communication, tracking, and monitoring	Yes
	BH medication management	Partial
	Health-Related Social Needs (HRSN) screening*†	Yes
	Care coordination*†	Yes
	Clinical Advice and Support Line*†	Yes
	Postpartum depression screening	Yes
	Use of Prescription Monitoring Program	No
	Long-Acting Reversible Contraception (LARC)	Yes
Structure and Staffing Requirements	Same-day urgent care capacity	Yes
	Video telehealth capability	No
	No reduction in hours, relative to participation in the sub-capitation program	N/A
	Access to Translation and Interpreter Services	Yes

Note: Criteria marked with a (*) can be provided by the Accountable Care Organization associated with a given practice; criteria marked with a (†) can be met virtually.
Source: https://www.mass.gov/info-details/masshealth-primary-care-sub-capitation-care-delivery-transformation

The proposed care delivery model reflects some key features of comprehensive primary care but also has some notable limitations.

- CVS does not plan for MCPC to prescribe controlled substances, which may limit access for many patients.
  - For instance, MCPC would not be able to support patients with acute or chronic pain who require opioids for pain management or patients receiving medications for treatment of opioid use disorder (OUD).
  - They also would not be able to effectively manage care for patients on pharmacologic treatment for various mental health conditions because many psychiatric medications are scheduled controlled substances.
- MCPC indicated it would provide BH screening for depression, anxiety, and alcohol use disorder, but it would not screen or treat other substance use disorders, such as OUD.
- CVS has stated that MCPC would not initially offer telehealth visits and that the timeline for offering such services is not available.
  - The lack of telehealth services would limit MCPC's ability to reduce certain access barriers for patients (e.g., difficulty attending an in-person visit due to lack of transportation, childcare, or other scheduling difficulties).

Access and Quality Summary

- MGB and CVS are important access points for primary care and primary care adjacent services, respectively, in Massachusetts.
- Both serve a high commercial payer population and a low MassHealth population compared to statewide payer enrollment.
- MGB has historically performed comparably to or better than the statewide average on available quality metrics, and quality measures tracked by CVS MinuteClinic appear to indicate generally strong performance, although comparator data is not available.
- The transition of MinuteClinic sites to MCPC primary care locations has the potential to increase access to primary care for adult patients through a novel care delivery model.
  - The magnitude of this increase depends on the success of the MCPC model over time, which is difficult to predict based on current evidence, and on some key, yet-to-be-determined details of implementation.
  - The potential for improved access to primary care for populations facing socioeconomic barriers may depend on how the parties prioritize the transition of sites in areas of greatest need.
  - Significant effort to promote the use of the new primary care sites among MassHealth patients would likely be required to meaningfully increase access for MassHealth members.

Access and Quality Summary (continued)

- At the same time, the transition to MCPC may pose certain risks to access.
  - The shift away from all-ages convenience care would eliminate access to convenience care for children and reduce access for adults.
  - It is unclear whether this new primary care model would be successful over the long term. To the extent it fails, access may be reduced relative to the status quo.
- Whether MCPC will provide comprehensive, high-quality primary care ultimately remains uncertain.
  - While the proposed care model includes key elements of comprehensive primary care it also has notable limitations, and MCPC's ability to deliver high-quality care in coordination with MGB will depend heavily on how the model is implemented.

Presentation Outline

Background on Cost and Market Impact Reviews

Background on the Parties

Background on the Transaction

Cost and Market

Access and Quality

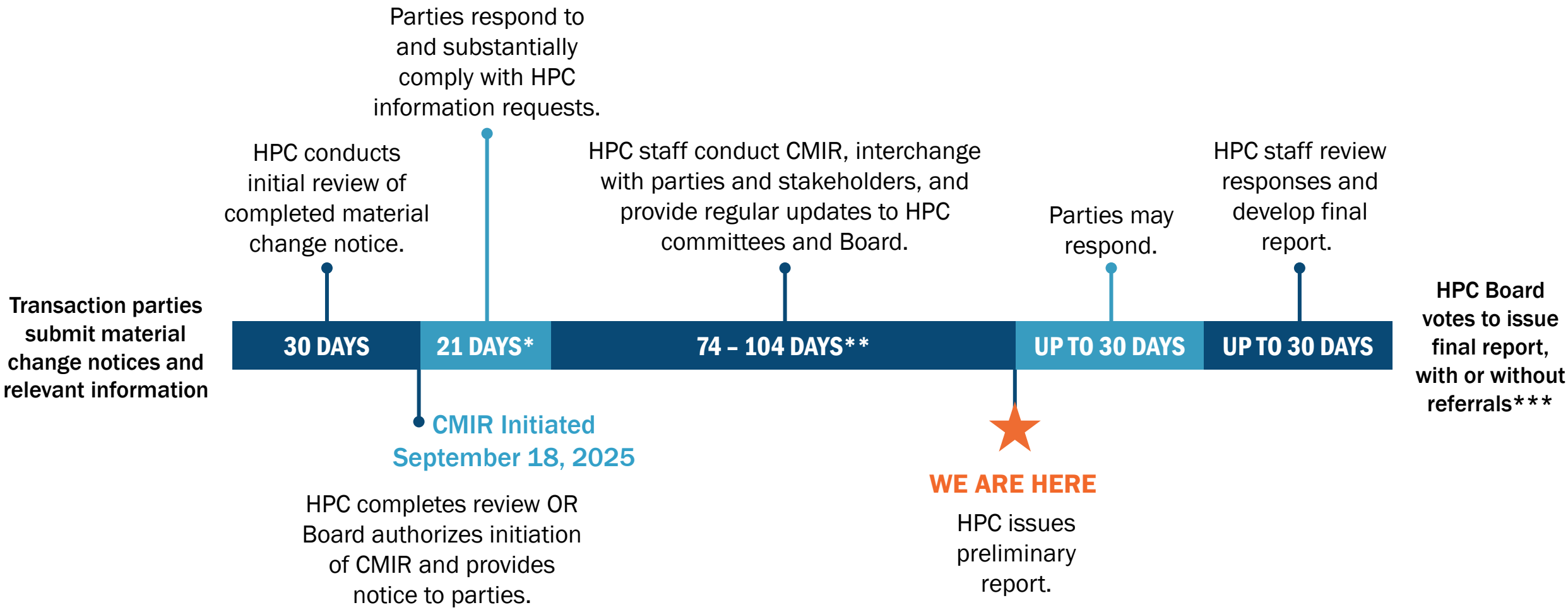
UP NEXT: Summary and Timeline

Vote

Summary of Findings

- The transaction is likely to result in **substantial increases to commercial health care spending**.
- The spending drivers the HPC were able to quantify **would likely increase commercial spending by approximately $40.2M annually by year three of the transaction**, including spending increases for MCPC's new primary care patients and higher prices for both MCPC's continuing convenience care services and the convenience care services that would move to other providers.
- MinuteClinic sites' transition to MCPC sites has **the potential to increase access to adult primary care services**, although CVS **would need to prioritize the sites to transition and target its outreach efforts thoughtfully** to meaningfully improve access for populations facing socioeconomic barriers to care, and the shift away from all-ages convenience care would reduce access to those services.
- The HPC invites the parties to provide any additional details in response to questions and concerns raised in this report in their written response, including any commitments.
  - The parties should consider commitments regarding mitigation of spending impacts, as well as commitments to maximize the potential for improved access to high-quality care.

CMIR Timeline: Mass General Brigham–CVS MinuteClinic Primary Care



* The parties may request extensions to this timeline which may likewise affect the timing of the report
** Plus any time granted to parties for responses to information requests
*** The parties must wait 30 days following the issuance of the final report to close the transaction

Presentation Outline

Background on Cost and Market Impact Reviews

Background on the Parties

Background on the Transaction

Cost and Market

Access and Quality

Summary and Timeline

UP NEXT: Vote

VOTE

Approval of Cost and Market Impact Review Preliminary Report: Mass General Brigham, CVS MinuteClinic Primary Care

MOTION

That, pursuant to section 13 of chapter 6D of the Massachusetts General Laws, the Commission hereby authorizes the issuance of the preliminary report, as presented, on the cost and market impact review of the proposed contracting affiliation between Mass General Brigham and CVS MinuteClinic Primary Care.

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Regulatory Updates: Chapters 342 and 343 of the Acts of 2024 **(VOTE)**

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

Market Transaction Reviews

- Preliminary Cost and Market Impact Review (CMIR) Report: Mass General Brigham–CVS MinuteClinic Primary Care **(VOTE)**
- **UP NEXT: Material Change Notices**

Executive Director's Report

Schedule of Upcoming Meetings

Executive Session **(VOTE)**

Since 2013, the HPC has reviewed 209 market changes.

Type of Transaction	Number	Frequency
Physician group merger, acquisition, or network affiliation	46	22%
Formation of a contracting entity	42	20%
Clinical affiliation	39	19%
Merger, acquisition, or network affiliation of other provider type (e.g., post-acute)	36	17%
Acute hospital merger, acquisition, or network affiliation	31	15%
Ownership/control change involving significant equity investor	8	4%
Change in ownership or merger of corporately affiliated entities	6	3%
Affiliation between a provider and a carrier	1	1%

Cost and Market Impact Reviews in Progress

- Retrospective review of the impacts of the creation of **Beth Israel Lahey Health**.
- The proposed contracting affiliation between **Mass General Brigham** and **CVS Health**, through its subsidiary **MinuteClinic Primary Care Massachusetts**.

Transactions HPC Elected Not to Proceed

- A proposed clinical affiliation between **University Orthopedics, Inc.**, a physician-owned orthopedic specialty practice based in Rhode Island, with Massachusetts locations in Mansfield, Plymouth, Raynham, and North Easton, and **Boston Medical Center-South Corporation (BMC-South)**, formerly Steward Good Samaritan Hospital, a 224-bed hospital located in Brockton, MA, owned by BMC Health System. Under this affiliation, University Orthopedics would manage the BMC-South hospital outpatient department ambulatory surgery center.

- The proposed acquisition by **Fulgent Genetics, Inc.** of certain equity and assets of **BPA Holding Corp**. Fulgent Genetics is a technology-based company with laboratory services and therapeutic development businesses, including affiliate Cohen Dermatopathology, PC, which operates licensed clinical laboratories in Massachusetts. BPA Holding Corp. operates a dermatopathology platform through its subsidiary Dermatopathology Experts, LLC, under the brand StrataDx, which is headquartered in Lexington, Massachusetts, and an anatomic/clinical pathology platform under the brand BakoDx.

Transactions HPC Elected Not to Proceed

- The proposed acquisition of **Exact Sciences**, a provider of cancer screening and diagnostic tests, by **Abbott Laboratories**, an international company that manufactures and sells diagnostics, medical devices, nutritional products, and branded generic pharmaceuticals, and that provides services to Massachusetts residents through its specialized durable medical equipment service line Acelis Connected Health.

- The proposed acquisition of the corporate parent of **Care Alternatives Hospice Services, LLC (dba Ascend Hospice), a part of Ascend Health**, by a newly formed **employee stock ownership plan**. Ascend Health provides end-of-life, hospice, and palliative care in six states, including Massachusetts, and Puerto Rico. Under the proposed acquisition, the organization's employees would gain an ownership stake in the company and current ownership would exit.

- The proposed acquisition of **Quipt Home Medical Corp. (Quipt)**, which owns health care entities that provide medical equipment such as mobility aids, ventilator therapy, oxygen and related equipment, and general medical supplies, by a significant equity investor, **REM Aggregator**. One of the entities owned by Quipt is Good Night Medical of Ohio, LLC, which has one location in Massachusetts that provides respiratory care services, including portable oxygen and ventilator services.

Transactions HPC Elected Not to Proceed

- A proposed clinical affiliation between **Dana-Farber Cancer Institute (DFCI)**, an acute care cancer hospital and research institute, and **Sturdy Memorial Hospital (Sturdy)**, a 153-bed independent community hospital in Attleboro, under which DFCI would operate a satellite ambulatory cancer clinic on Sturdy's campus.
- A proposed joint venture between **Sturdy Memorial Hospital**, a 153-bed independent community hospital in Attleboro, and **University Orthopedics**, a physician-owned orthopedic specialty practice based in Rhode Island, with Massachusetts locations in Mansfield, Plymouth, Raynham, and North Easton. The joint venture would establish a freestanding ambulatory surgery center in Mansfield, Massachusetts.
- The proposed acquisition of **Acton Medical Associates**, a primary care practice with locations northwest of Boston, by **Atrius Health**, a 700-physician multi-specialty group practice that receives administrative and non-clinical support from Atrius MSO, which is owned by OptumCare, a subsidiary of UnitedHealth.

Commitments from Atrius Health

In connection with the Acton acquisition, the HPC worked with Atrius to secure certain commitments. The HPC is also requiring post-transaction reporting and expects to monitor certain metrics for Optum.

Atrius commits to providing continuity of care by ensuring Acton Medical Associates (AMA) patients maintain access to the providers and specialists with whom they have an established clinical relationship and communicating with AMA patients regarding such choice of care.

- This communication will highlight that Acton patients are not expected to see any changes until the Acton locations are fully integrated into Atrius and, following integration, Atrius will send a communication to all Acton patients specifically stating that they will be able to continue seeing their existing providers, including specialists.

As Atrius has committed as part of past transaction reviews:

- It will continue to contract with a broad range of Massachusetts payers, including MassHealth, and work with them to develop innovative, value-based products; and
- It will continue to collaborate with the Commonwealth to improve health, reduce health care costs, ensure transparency, and enhance quality and access to care in Massachusetts, including continued cooperation with data collection and performance monitoring programs of the CHIA and the HPC.

Post-Transaction Reporting and Monitoring

In connection with the Acton acquisition, the HPC worked with Atrius to secure certain commitments. The HPC is also requiring post-transaction reporting and expects to monitor certain metrics for Optum.

The HPC will require the following information from Atrius for the final year of Acton's operations, and annually for the next 5 years:

- Top inpatient, outpatient, and specialist referral partners for Acton patients;
- Claims-based spending, non-claims-based spending, and average risk scores for Acton patients; and
- Visit volume over time by payer category for the Acton practice locations

The HPC will use publicly available and in-house data to track the metrics related to:

- Optum's size and market share for physician services;
- Optum providers' prices and total reimbursement by payer;
- The quality of services provided by Optum providers, including any concerns voiced by patients; and
- Optum's overall financial performance, and the use of any capital investment by Optum

Transactions HPC Elected Not to Proceed: Received Since 2/5/26

- A proposed acquisition of **Alma**, a healthcare technology company that operates a virtual behavioral health platform and contracts on behalf of a network of affiliated independent behavioral health providers, by **Spring Health**, a global behavioral health services company that partners with employers and health plans to deliver behavioral health services. Under the proposed transaction, Alma would become a business unit of Spring Health.
- A transaction involving a significant equity investor and **Elara Caring**, which is composed of several companies that provide home health, hospice, personal care services, and behavioral health services in 19 states, including in Massachusetts through Seacoast Angels Hospice, America at Home Healthcare and Nursing Services, and Medical Resources Home Health Corp. Under the proposed transaction, Elara Holdings, LLC would sell its indirect ownership of the provider entities to kidney care provider **DaVita**, and private equity firm **Ares Management**.

Other Transactions Currently Under Review : Received Since 2/5/26

- The proposed acquisition of **Dental Care Alliance (DCA)** by certain holders of DCA's first lien debt and holders of DCA-issued notes through a debt-for-equity exchange. DCA is a dental support organization that provides office services to affiliated dental practices, including payer contracting support.

- The proposed acquisition of **Enhabit, Inc.**, a national home health and hospice provider, by **Kinderhook Industries**, a private equity firm whose subsidiary, now called Revere Medical, acquired Stewardship Health in 2024. Enhabit provides home care services in Massachusetts through the following provider entities: EH Health Home Health of New England, LLC; Excella Homecare, Inc.; and Excella Home Health Agency, LLC.

- A proposed transaction in which **Northeast Orthopaedic Alliance (NOA)**, an orthopedic physician group practice with 29 locations across Massachusetts and New Hampshire, would offer employment to all physicians and advance practice clinicians of **South Shore Orthopedics (SSO)**, an orthopedic group practice with locations in Hingham and Abington. Following the transaction, SSO would cease independent operation and become a new division of NOA.

Other Transactions Currently Under Review

A proposed clinical affiliation between **Atrius Health (Atrius)**, a 700-physician multi-specialty group practice that receives administrative and non-clinical support from Atrius MSO, which is owned by OptumCare, a subsidiary of UnitedHealth, and **Signature Healthcare Brockton Hospital (Brockton Hospital)**, a 217-bed not-for-profit, acute care, community-based, teaching hospital in Brockton. Under this affiliation, Brockton Hospital would be designated by Atrius as a preferred hospital provider for Atrius patients and the parties have agreed on a discounted payment rate for services provided by Brockton Hospital for which Atrius is at risk for financial and quality results.

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Regulatory Updates: Chapters 342 and 343 of the Acts of 2024 **(VOTE)**

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

Market Transaction Reviews

UP NEXT: Executive Director's Report

Schedule of Upcoming Meetings

Executive Session **(VOTE)**

New Investment Opportunity: Promoting Appropriate Transitions to Home (PATHways)

- The HPC's **Promoting Appropriate Transitions to Home (PATHways) investment program** released a Request for Proposals (RFP) that will be open until **Thursday, June 4, 2026.**
- The PATHways investment program will support acute care hospitals and their partnerships with Aging Services Access Points (ASAPs) in Massachusetts.
- PATHways is designed to build on the Executive Office of Aging & Independence (AGE) funded Hospital to Home Partnership Program, which supported partnerships between hospitals and ASAPs and ended in 2025.
- More information, including the RFP, is available on the HPC's website.

PATHways Investment Program Opportunity

Program Aims

- Support and/or sustain partnerships between hospitals and Aging Service Access Points (ASAPs)
- Support institutional (e.g., SNF) diversion and hospital discharge directly to home and community-based settings
- Collect qualitative and quantitative evidence to advance the case for sustaining partnerships between hospitals and ASAPs

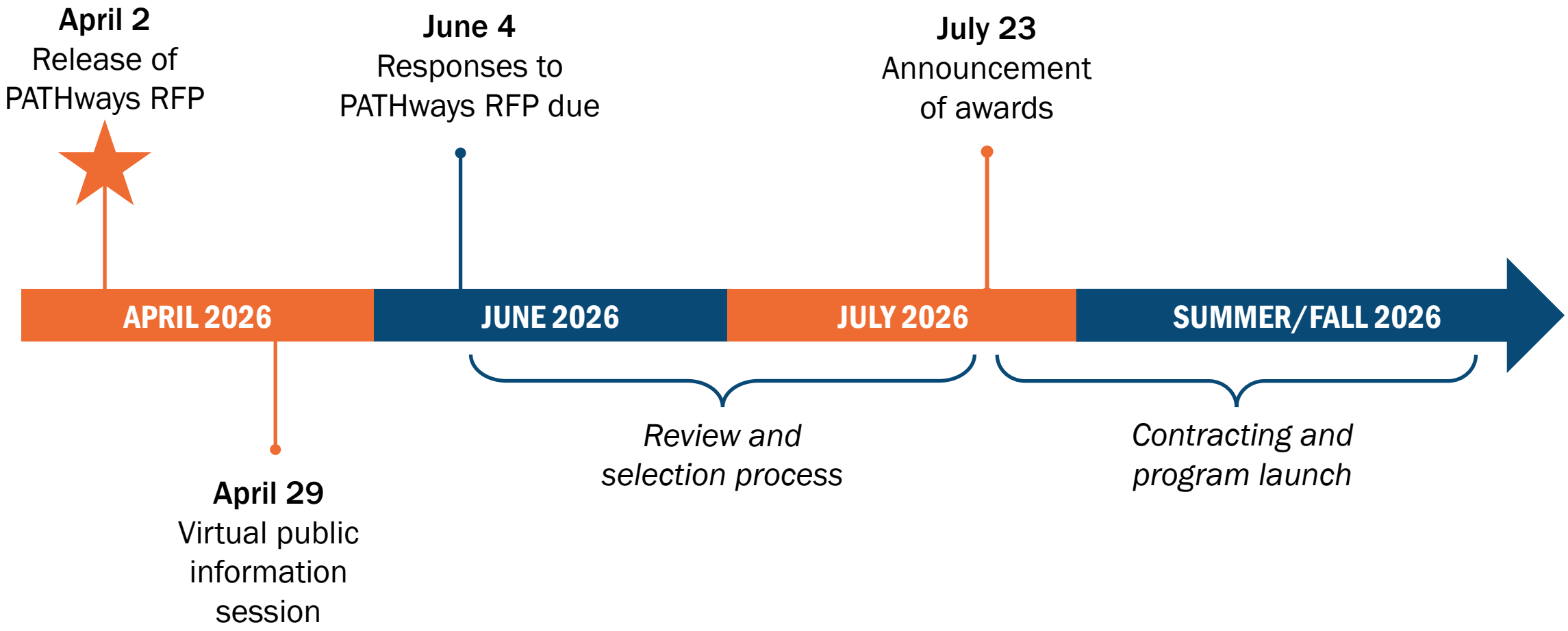
Applicants: Massachusetts acute care hospitals, in partnership with ASAPs

Funding: Up to 9 awards of $210,000 each over 3 performance years

- Additional $90,000 to be contributed in-kind from each hospital for a total program budget of $300,000 per Awardee

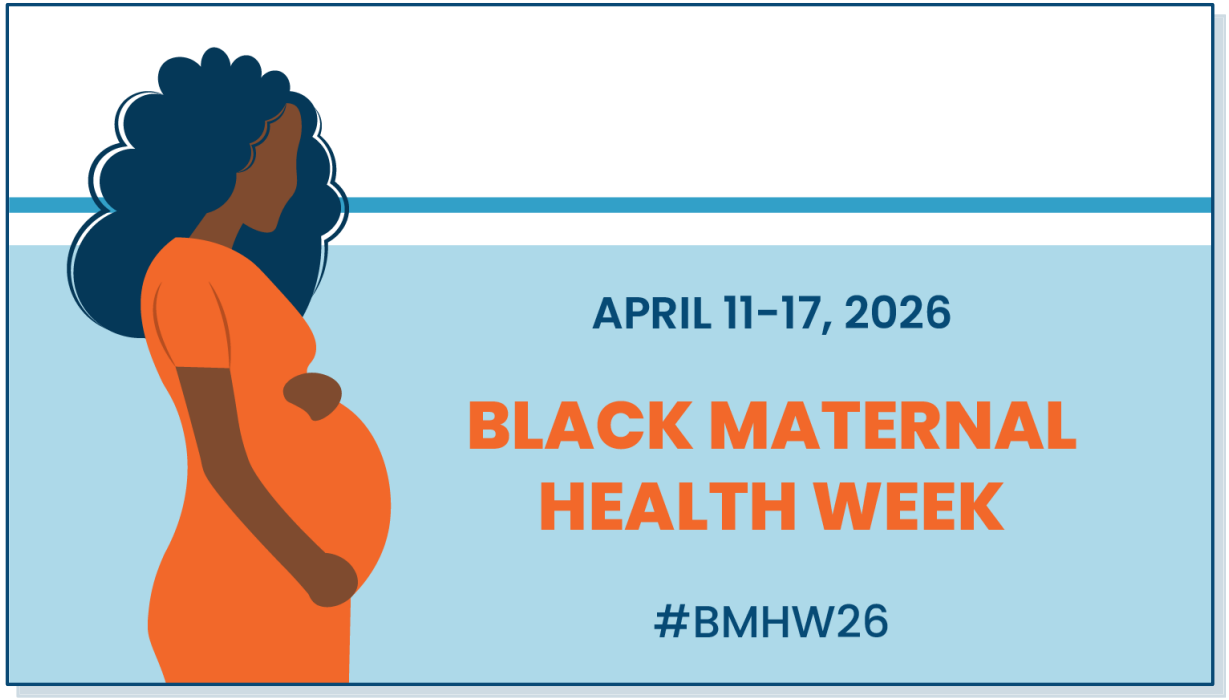
State Partnership: The HPC is funding and implementing PATHways in partnership with the Executive Office of Aging & Independence (AGE)

PATHways Request for Proposals Timeline



The HPC Celebrates Black Maternal Health Week 2026

- Black Maternal Health Week, established by the Black Mamas Matter Alliance, takes place every year from **April 11 – April 17** to align with National Minority Health Month and the International Day for Maternal Health and Rights.
- According to the Black Mamas Matter Alliance, “BMHW is a week-long campaign founded and led by the Black Mamas Matter Alliance to build awareness, activism, and community-building to amplify the voices, perspectives and lived experiences of Black Mamas and birthing people.”
- This year marks their tenth anniversary, and the theme is Rooted in Justice & Joy.



Recent and Upcoming Publications

RECENTLY RELEASED

- **Annual Report**: 2024 Office of Patient Protection (April 2026)
- **Legislative Report**: Trends in Behavioral Health Emergency Department Boarding (April 2026)
- **DataPoints**: Issue #33, Office of Patient Protection Claims Denials (February 2026)
- **2025 Health Care Cost Trends Report**: Annual Report, Chartpack, and Policy Recommendations (December 2025)
- **DataPoints:** Issue #32, True Cost of Care: Patient Cost Sharing in Massachusetts (December 2025)

UPCOMING

- **Legislative Report**: Assessment of Behavioral Health Commercial Rates
- **Evaluation Report**: Moving Massachusetts Upstream (MassUP) Investment Program
- **Final Report**: Maternal Health Access and Birthing Patient Safety Task Force
- **HPC Shorts**: Trends in C-Section Utilization in Massachusetts
- **Legislative Report**: The Impact of Medicare ACOs on the Financial Viability of Nursing Facilities in the Commonwealth

Coming Soon: MassUP Investment Program Evaluation Report

The Moving Massachusetts Upstream (MassUP) Investment Program funded four **partnerships between hospitals and community-based organizations** (CBOs) that worked together to **address a social, environmental, or economic challenge** affecting health in their communities.

Awardee and Partnership	Community	Social Determinant of Health Focus
Cooley Dickinson Health Care: Hampshire County Food Policy Council	Hampshire County	Food Systems and Security
Heywood Hospital: HEAL Winchendon – Economic Empowerment	Town of Winchendon	Economic Stability and Mobility
Massachusetts General Hospital: Cross-City Coalition	Cities of Chelsea and Revere	Economic Stability and Mobility
Mercy Medical Center: Springfield EATS (Equity, Advocacy, Transformation, and Systems)	Springfield neighborhoods	Food Systems and Security

Key Parameters

- Four awards of up to $650,000 each, funded by the HPC and Department of Public Health
- Implemented over ~3 years (September 2020 – late 2023)
- Cross-sector partnerships selected one social determinant of health in their community and executed “upstream” activities to address it

BEHAVIORAL HEALTH WORKFORCE CENTER

Behavioral Health Care Under Pressure in Massachusetts: Policy Solutions for a Sustainable Workforce

MASSACHUSETTS HEALTH POLICY COMMISSION

SAVE THE DATE

Thursday
May 7, 2026

9:00 AM – 12:00 PM

Suffolk University
Law School
120 Tremont Street
Boston

masshpc.gov/BHWC26

Agenda

Call to Order

Approval of Minutes **(VOTE)**

Regulatory Updates: Chapters 342 and 343 of the Acts of 2024 **(VOTE)**

Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

Market Transaction Reviews

Executive Director's Report

UP NEXT: Schedule of Upcoming Meetings

Executive Session **(VOTE)**

Schedule of Upcoming 2026 Meetings

HPC BOARD

June 11

July 23

September 17

December 10

TASK FORCES

PRIMARY CARE

April 28 (Workforce Workgroup)

May 5

June 17

MATERNAL HEALTH

Additional meetings TBA

ADVISORY COUNCIL

May 14

September 24

December 3

masshpc.gov/meetings

massHPC.gov

HPC-info@mass.gov

tinyurl.com/hpc-linkedin

@masshpc.bsky.social

Agenda

Call to Order

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Health Care Cost Growth Benchmark for Calendar Year 2027 **(VOTE)**

Market Transaction Reviews

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Schedule of Upcoming Meetings

Executive Session (VOTE)

VOTE

Enter Executive Session

MOTION

That having first convened in open session at its April 16, 2026, Board meeting and pursuant to M.G.L. c. 30A, § 21(a)(7), the Commission hereby approves going into executive session for the purpose of complying with c. 6D, § 2A, to discuss confidential information provided to the Commission.