MASSACHUSETTS
HEALTH POLICY COMMISSION

Notice of Material Change (MCN) Process: Frequently Asked Questions

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This document is intended to provide guidance for stakeholders on the Notice of Material Change process pursuant to 958 CMR 7.00: Notices of Material Change and Cost and Market Impact Reviews. The Health Policy Commission (HPC) recognizes that each material change has unique facts and circumstances and that multiple factors may affect whether a proposed material change will require the filing of a Notice of Material Change with the HPC.

The HPC encourages stakeholders with specific questions to contact HPC-Notice@state.ma.us prior to filing an MCN or proceeding with a transaction that may be a Material Change subject to filing.

Capitalized terms contained herein are defined in 958 CMR 7.02.

Filing Requirements for Accountable Care Organizations

Question #1 and Answer supplants Question #3 and Answer in guidance issued on 7/14/15 under "Timing for Filing an MCN for Formation of Entity for Contracting."

Q1: My organization is considering forming an accountable care organization (ACO). When is my organization required to file a Notice of Material Change with the HPC?

A: The formation of an ACO to jointly establish *commercial* contracts requires the filing of a Material Change Notice (MCN) by the provider organizations creating the ACO that have $25 million or more in net patient service revenue. An MCN is required to be filed with the HPC not fewer than 60 days before the proposed effective date of the formation of the ACO. The formation of an ACO for the purpose of solely establishing Medicaid or Medicare contracts does not require an MCN filing at this time.

Q2: My ACO plans to initiate commercial, Medicaid, or Medicare contracting for the first time. When is my organization required to file a Notice of Material Change with the HPC?

A: Existing ACOs that plan to initiate joint *commercial* contracting for the first time are required to file an MCN as a new contracting affiliation. An MCN is required to be filed with the HPC not fewer than 60 days before the proposed effective date of any joint commercial contracting. Existing ACOs that plan to initiate Medicaid or Medicare joint contracting are not required to file an MCN at this time.

Q3: My ACO is adding new member provider organizations. Is my organization required to file a Notice of Material Change with the HPC?

A: An existing ACO that is adding new member provider organizations to join commercial contracts through the ACO or with other ACO participants must file an MCN if the affiliation would result in an increase in annual net patient service revenue of $10 million dollars or more. If any of the new member provider organizations joining commercial contracts have net patient service revenue of $25 million or more, those provider organizations must also file an MCN. An MCN is required to be filed with the HPC not fewer than 60 days before the proposed effective date of the contracting affiliation with the ACO. If an ACO is adding new member provider organizations solely to join Medicaid or Medicare contracts through the ACO or with other ACO participants, neither the ACO nor the provider organizations joining the ACO are required to file an MCN at this time.

Q4: My public payer ACO does not engage in joint commercial contracting, but members within the ACO seek to engage in strategic clinical affiliations that will impact the care of commercially insured patients (e.g., complete or substantial staffing of an acute hospital service line; the provision of funds to establish EHR connectivity). Is my ACO required to file an MCN?

A: Yes. An ACO is required to file an MCN if its members plan to engage in strategic clinical affiliations that will impact the care of commercially insured patients, regardless of whether the ACO engages in joint commercial contracting. An MCN may also be required to be filed if new member organizations join the ACO and plan to join these strategic clinical affiliations. *Please see the HPC's Frequently Asked Questions, issued July 14, 2015, for further guidance regarding activities that constitute strategic clinical affiliations and reporting size thresholds.*