



The Commonwealth of Massachusetts  
Executive Office of Health and Human Services  
Department of Public Health  
250 Washington Street, Boston, MA 02108-4619

MAURA T. HEALEY  
Governor

KIMBERLEY DRISCOLL  
Lieutenant Governor

KATHLEEN E. WALSH  
Secretary

ROBERT GOLDSTEIN, MD, PhD  
Commissioner

Tel: 617-624-6000  
www.mass.gov/dph

MEMORANDUM

**TO:** Applicants for a Determination of Need Related to Ambulatory Surgery

**FROM:** Dennis Renaud, Director, Determination of Need Program *Dennis Renaud*

**DATE:** January 31, 2025

**RE:** Definition of Primary Service Area (PSA) with respect to Ambulatory Surgery Centers.

Pursuant to 105 CMR 100.100, the intent of this memorandum is to provide guidance on the Department's methodology for determining the Primary Service Area of a Health Care Facility. The Regulation defines Primary Service Area ("PSA") as follows:

*Primary Service Area. The geographic area in which a majority of patients who receive care at a Health Care Facility reside. The percentage of patients who are counted in determining the Primary Service Area will be set out in Guideline.*

Accordingly, the percentage of patients who are counted in determining the PSA for a Health Care Facility is being set out herein. This guidance also provides suggested resources for Applicants as they assemble their Determination of Need (DoN) Application for Ambulatory Surgery Center. The DoN Program will publish and post an updated zip code analysis using this methodology in June of every calendar year for Applicants to refer to when developing their DoN Application.<sup>1</sup>

1. To evaluate whether an Ambulatory Surgery Center filing a DoN Application is located within the PSA of an existing independent community hospital,<sup>2</sup> the Department will use the zip codes for a cumulative 75% (ranked from most to least) of discharges from Independent Community Hospitals including all payer types.<sup>3</sup>
2. To determine this, the Department will use the most recent year's data available from the following:

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<sup>1</sup> For the first year, calendar year 2025, the DoN program will publish the PSA once in January, using the 2024 HPC Bulletin of Independent Community Hospitals, with this Memorandum, and a second one in June following the posting of the 2025 HPC Bulletin. <https://www.mass.gov/info-details/don-guidelines-and-policy-advisories>.

<sup>2</sup> 105 CMR 100.715(B)(2)(b)

<sup>3</sup> A 75% cumulative criteria has been used in similar PSA methodologies, that the Department has adapted to better meet our goals.

- the Center for Health Information and Analysis (“CHIA”) Hospital Case-Mix Dataset, and
- the Health Policy Commission (“HPC”) Bulletin on Independent Community Hospitals
- if an Independent Community Hospital’s status changes through an acquisition or other means, and it’s no longer considered an Independent Community Hospital, it will be removed from the list at the time of the acquisition/change in status.

Using the CHIA Hospital Case-Mix Dataset and the HPC list of Independent Community Hospitals, the DoN Program will engage in a process to assess the zip codes for a cumulative 75% (ranked from most to least) of discharges from an independent community hospital that includes all payer types to determine whether a proposed ASC is within that hospital’s PSA.

3. As outlined in 105 CMR 100.715(B)(2)(b), if the proposed Ambulatory Surgery Center is or will be located within the PSA of an Independent Community Hospital, the Regulation requires that:
  - the Proposed Project be a joint venture with the Independent Community Hospital **OR**
  - the Applicant obtain a letter of support from the Independent Community Hospital.

For more information, refer to the following:

- Health Policy Commission’s [Bulletin on Independent Community Hospitals](#) to find a current list of Independent Community Hospitals. See: [Regulations and Guidance | Massachusetts Health Policy Commission](#) -Oversight and Monitoring.
- See [www.mass.gov/determination-of-need-don](http://www.mass.gov/determination-of-need-don) (Learn about regulations, policies and guidelines for determination of need) to determine if Proposed Project is within the PSA of an Independent Community Hospital or Hospitals. The DoN Program will publish and post an updated zip code analysis in December of every calendar year.

Sincerely,

Dennis Renaud  
Director, Determination of Need Program  
Massachusetts Department of Public Health

cc:

Jaclyn Gagne, Chief Deputy General Counsel for Health Care Licensure  
Susannah Arterian, Deputy General Counsel