

# KROKIDAS & BLUESTEIN

## ATTORNEYS

### HEALTH LAW CLIENT ALERT

#### CHAPTER 224 HEALTH CARE COST CONTAINMENT UPDATE #11

##### HEALTH POLICY COMMISSION POSTS NEW FAQ ON MATERIAL CHANGE NOTICES

On December 2, 2015, The Massachusetts Health Policy Commission (HPC) issued new [Frequently Asked Questions](#) (the “December FAQ”), to supplement its previous [Notice of Material Change \(MCN\) Process: Frequently Asked Questions](#) document of July 14, 2015 (the “July FAQ”). The December FAQ contains two important HPC interpretations regarding the determination as to whether an MCN is necessary:

1. The HPC’s interpretation of “strategically important Clinical Affiliations” (see the July FAQ) now includes arrangements under which a provider receives funds from a provider to which it refers patients. This encompasses provider-to-provider discount arrangements where Provider A offers discounted rates to Provider B for Provider B’s patients under risk contracts. The HPC has revised its [MCN Form](#) to require information about any exchange of funds between the parties involved in a material change.
2. When calculating Net Patient Service Revenue for an MCN determination, a provider must include the Net Patient Service Revenue of its corporate parent and its affiliates in the calculation, not just its own Net Patient Service Revenue.

If you have any questions about the HPC’s MCN process or would like assistance in filing an MCN, please contact Attorneys Jennifer Gallop ([jgallop@kb-law.com](mailto:jgallop@kb-law.com)), Robert Griffin ([rgriffin@kb-law.com](mailto:rgriffin@kb-law.com)), or Emily Kretchmer ([ekretchmer@kb-law.com](mailto:ekretchmer@kb-law.com)).