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Private Equity and Health Care – A Policy Discussion

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Today's Presenters

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Agenda

- Overview of Private Equity and Health Care
- National Landscape of Regulating Health Care Transactions
- “An Act Enhancing the Market Review Process,” Chapter 343 of the Acts of 2024
- HPC Overview of Key Market Oversight Changes
- Questions?

Polling Question 1:

- Does you company have operations in Massachusetts?
  - Yes
  - No

Polling Question 2:

- Does your organization work with private equity?
  - Yes
  - No

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HEALTH POLICY COMMISSION

Private Equity Investments in Massachusetts Health Care

Yue Huang, Senior Manager of Research

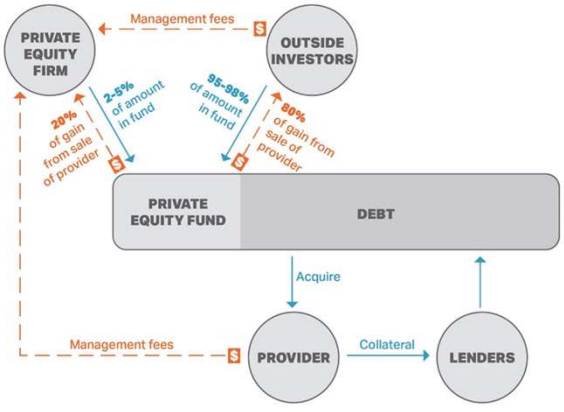
April 30, 2025

POLICY BRIEF: *Private Equity Investments in Massachusetts Health Care and State Policy Opportunities*

- This policy brief was developed as a synthesis of recent HPC research and presentations to the HPC Board on the role of private equity in health care and state policy opportunities.
- The brief:
  - Describes the unique financial strategies used by private equity firms
  - Reviews literature of private equity's impact on health care outcomes
  - Presents a novel analysis of health care provider mergers and acquisitions in Massachusetts from 2013 to 2023
  - Summarizes potential policy approaches to enhance transparency and oversight to minimize the potential harms of private equity involvement in health care
- The brief is available at: https://masshpc.gov/

What is Private Equity?

Illustration of private equity acquisition of a health care provider



1. MedPAC. Chapter 3: Congressional request: Private equity and Medicare (June 2021 report). Available at: https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/default-document-library/jun21_ch3_medpac_report_to_congress_sec.pdf
2. Morran C, Petty D. ProPublica. What private equity firms are and how they operate. Aug 3, 2022. Available at: https://www.propublica.org/article/what-is-private-equity

- Private equity firms form funds to make acquisitions, with the goal of improving the acquired company's financial performance and value and then selling the company for a profit within a short timeframe, typically three to seven years.
- Private equity firms often contribute a small portion of the overall capital to the funds, raising the vast majority of capital by pooling outside investments from large institutional investors (e.g., pension funds, endowments, sovereign wealth funds) and high net-worth individuals.

Private equity differs from other forms of health care investments in several ways.

- Private equity investors are "lay investors" who are not bound by institutional norms and ethical obligations expected in the health care profession.[1]
- Private equity investors aim to produce **high returns on investments on a short timeline**, which are difficult to achieve through efficiency gains alone. [2]
  - As such, private equity firms often employ financial strategies that can be anticompetitive and destabilizing to the health care market: **leveraged buyouts, sale-leaseback of real estate, debt-funded dividends, and roll-ups.**
- Private equity firms enjoy **certain tax advantages** that make the industry more lucrative and susceptible to risky behaviors.[3]
- The **lack of transparency** in the private equity industry makes it challenging for regulators, researchers, and the public to track their activities and evaluate the impact of their investments.[2]
  - Private equity firms and the companies they acquire frequently use complex corporate structures with multiple levels and subsidiaries, which may render existing transparency efforts ineffective. These complex structures can also shield private equity firms from the legal and financial consequences of their actions.

1. Fuse Brown EC, Hall MA. Private equity and the corporatization of health care. Stanford Law Review. 2024;76
2. MedPAC. Chapter 3: Congressional request: Private equity and Medicare (June 2021 report). Available at: https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/default-document-library/jun21_ch3_medpac_report_to_congress_sec.pdf
3. Gupta A, Howell S. The role of private equity in the U.S. economy, and whether and how favorable tax policies for the sector need to be reformed. Washington Center for Equitable Growth. Sep 14, 2023. Available at: https://equitablegrowth.org/the-role-of-private-equity-in-the-u-s-economy-and-whether-and-how-favorable-tax-policies-for-the-sector-need-to-be-reformed/

A growing body of research has documented that private equity acquisitions can impact health care spending, quality, and access for patients.

- **Prevalence**
  - The number of **private equity health care transactions nationwide grew more than 250 percent from 352 in 2010 to 937 in 2020**, representing a total of $750 billion in transaction values.[1]
- **Spending**
  - Researchers have examined the impact of private equity investments on spending in nursing homes, ambulatory surgical centers, hospitals, and physician practices, with most finding that **private equity investments are associated with increased utilization and higher prices**.[2]
- **Care Quality**
  - Evidence on quality is more mixed but indicates concerns.[2] For example, recent research using Medicare claims suggests that **private equity acquisition of hospitals was associated with 25.4% increase in hospital acquired conditions**, driven by falls and central line-associated bloodstream infections.[3]
- **Access and Market Impact**
  - Examining 807 private equity exits from dermatology, ophthalmology, and gastroenterology practices from 2016 to 2020, Singh et al. found that **over half (51.6%) underwent an exit within 3 years of initial investment**. **In nearly all instances (97.8%), private equity firms exited their investments through secondary buyouts**, where the practices were sold to other private equity firms with larger investment funds.[4]
  - An analysis tracking bankruptcies of health care companies found that **17 of 80 (21%) health care companies that filed for bankruptcies in 2023 were private equity owned**.[5]

1. Scheffler RM, Alexander LM, Godwin JR. Soaring private equity investment in the healthcare sector: consolidation accelerated, competition undermined, and patients at risk. American Antitrust Institute and the Nicholas C. Petris Center at UC Berkeley. May 18, 2021. Available at: https://publichealth.berkeley.edu/wp-content/uploads/2021/05/Private-Equity-Healthcare-Report-FINAL.pdf.
2. Borsa A, et al. Evaluating trends in private equity ownership and impacts on health outcomes, costs, and quality: systematic review. BMJ. 2023 Jul 19;382.
3. Kannan S, Bruch JD, Song Z. Changes in hospital adverse events and patient outcomes associated with private equity acquisition. JAMA. 2023 Dec 26;330(24):2365-75.
4. Singh Y, Reddy M, Zhu JM. Life cycle of private equity investments in physician practices: an overview of private equity exits. Health Affairs Scholar. 2024 Apr;2(4):qxae047.
5. Private Equity Stakeholder Project. Private Equity Healthcare Bankruptcies are on the Rise. Available at: https://pestakeholder.org/private-equity-healthcare-bankruptcies-are-on-the-rise/

Identifying Private Equity Investments in Massachusetts Health Care

- The HPC identified mergers and acquisitions among Massachusetts health care providers from 2013 to 2023:
  - Acquired provider must be based in Massachusetts or had locations in Massachusetts at the time of the transaction, regardless of the location of the acquirer.
  - Private equity firms were defined as those that collect capital from individuals or entities and purchase ownership stakes in a provider.
- Data Sources: **FactSet, LevinPro HC, HPC Material Change Notice filings**, and public sources
- Three types of PE acquisitions were included:
  - **Platform acquisitions**: PE firm directly acquires a platform company
  - **Add-on acquisitions**: PE firm uses a platform company it owns to acquire a company (also known as roll-up transactions)
  - **Growth investments**: PE firm makes a non-controlling investment into a company
- The following transactions were excluded:
  - Cancelled or pending transactions, transactions of entities that are not patient-facing (e.g., labs, device manufacturers, biotech), transactions of entities that may be patient-facing but operate largely outside of insurance (e.g., e-health, cannabis dispensary), partnerships for joint contracting or changes in clinical or contracting affiliations, transactions between providers and payers
- Acquisitions of multiple entities announced together, or which occurred on the same day, were counted as one transaction.

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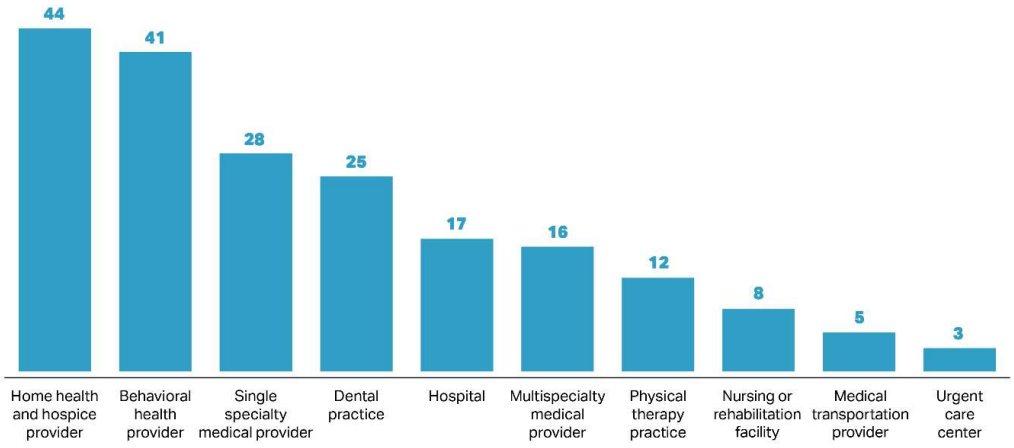
Home health/hospice providers and BH sectors saw the largest number of mergers and acquisitions from 2013 to 2023, including those with and without PE investment.

Number of health care provider transactions in Massachusetts, 2013-2023



Sources: HPC analysis of FactSet financial data and analytics; HPC Material Change Notice filings; LevinPro HC, Levin Associates, May 2024, levinassociates.com; and other publicly available information.

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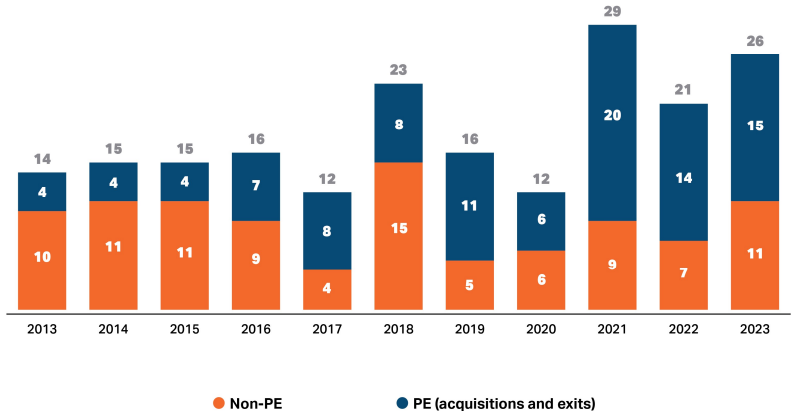
Investments in Massachusetts health care by private equity have increased in recent years.

Number of health care provider transactions by year in Massachusetts, 2013-2023



- Of the 199 health care providers transactions in the HPC's analysis; **101 (51%)** involved PE firms.
- Of these, **85** were PE acquisitions, **4** were PE exits; **12** were acquisitions *and* exits (i.e., PE firm selling to another PE firm).

Sources: HPC analysis of FactSet financial data and analytics; HPC Material Change Notice filings; LevinPro HC, Levin Associates, May 2024, levinassociates.com; and other publicly available information.

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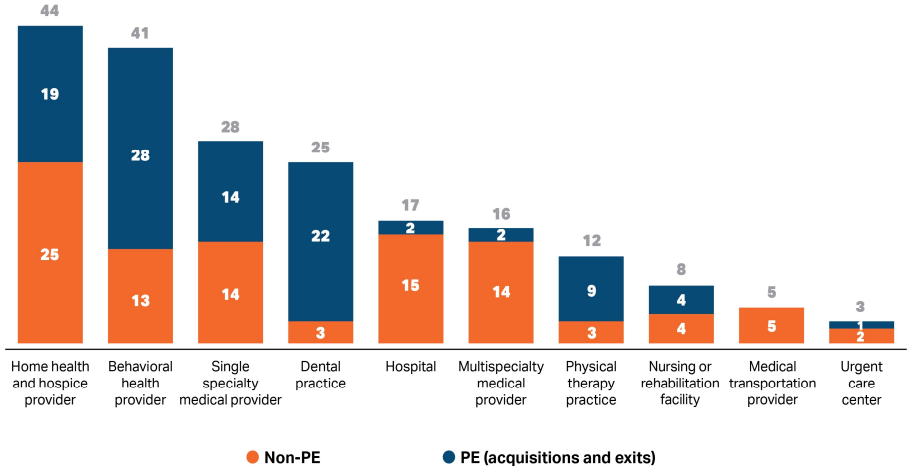
Private equity investments in Massachusetts have been particularly active among behavioral health, dental, home health providers, and certain specialty providers.

Number of provider transactions by health care sector in Massachusetts, 2013-2023



Notes: Of transactions that involved private equity, 85 were private equity acquisitions, 4 were private equity exits, and 12 were acquisitions and exits. One exit occurred in the behavioral health sector and in the home health sector; 2 exits were rehabilitation facilities.
Sources: HPC analysis of FactSet financial data and analytics; HPC Material Change Notice filings; LevinPro HC, Levin Associates, May 2024, levinassociates.com; and other publicly available information.

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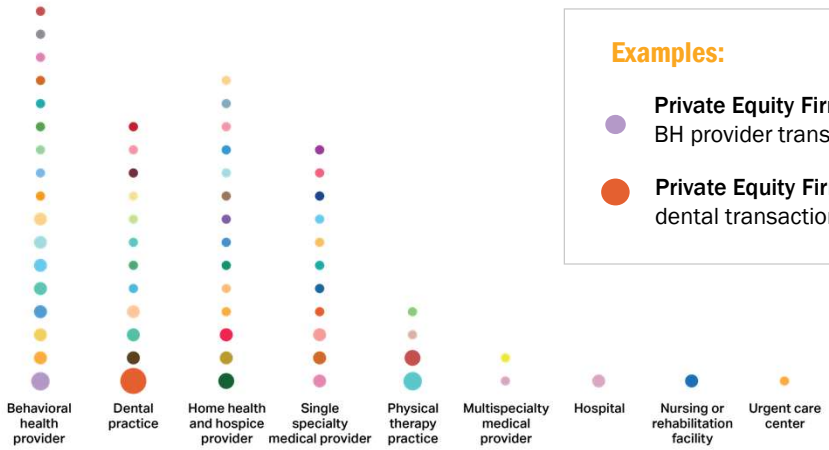
Many private equity transactions in Massachusetts had been one-offs, although there are some instances of the individual PE firms acquiring multiple practices in the same sector.

HPC

Private equity transactions by health care sector and acquiring private equity firm in Massachusetts, 2013-2023



Examples:

- **Private Equity Firm A:** 4 BH provider transactions
- **Private Equity Firm B:** 8 dental transactions

Notes: Each bubble represents a private equity firm that made acquisitions in a given sector. Bubble size is proportional to the number of acquisitions per private equity firm. Bubble color represents a distinct firm or distinct group of firms.
Sources: HPC analysis of FactSet financial data and analytics; HPC Material Change Notice filings; LevinPro HC, Levin Associates, May 2024, levinassociates.com; and other publicly available information.

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Background

- Long term government focus on the health care market.
- Many states have long established Attorney General review of non-profit hospital/health care transactions (e.g., Colorado, Georgia, Hawaii, Michigan, Ohio, Rhode Island, Tennessee, Texas, and Virginia).
- Financialization & the rise of private markets,
- Role of bringing capital into the health care market.

National Overview

- A more recently, states have implemented laws aimed at monitoring the impact of health care transactions on ***competition, quality, access and cost***.
- MA 2013 (2025 update) > CT 2014 > WA 2020 > NV 2021 > OR 2022 > NY 2023 > MN 2023 > IL 2024 > CA 2024 > IN 2024 > MN 2023
- Efforts to target private equity and management service organizations, including pending legislation in California, Pennsylvania, and Minnesota.

Transaction Notice/Approval Requirements – State Chart

State	Timeline	Notice and/or Approval
California	90 days pre-closing	Notice
Connecticut	30 days pre-closing	Notice
Illinois	30 days pre-closing	Notice
Indiana	90 days pre-closing	Notice
Massachusetts	60 days pre-closing *At least 30 days after commission issued report (if applicable)	Notice (and Approval *subject to commission's final market impact report, if required)
Minnesota	60 days pre-closing (* $80 mil+) 30 days pre-closing or within 10 business days of date parties first reasonably anticipate entering into transaction ($10-80 mil)	Notice
Nevada	30 days pre-closing	Notice
New York	30 days pre-closing & Post-closing e-mail notice to Department	Notice
Oregon	180 days pre-closing notice Oregon Health Authority must approve within 30 calendar days of notice filing.	Notice and Approval
Washington	60 days pre-closing	Notice and Approval (assumed unless within 60 days after notice is given, WA AG initiates further investigation).

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"An Act Enhancing the Market Review Process," Chapter 343 of the Acts of 2024 Overview

Larry Vernaglia and Allie Shalom
Foley & Lardner LLP

"An Act Enhancing the Market Review Process," Chapter 343 of the Acts of 2024

- On January 8, 2025, Governor Maura Healey signed into law Chapter 343 of the Acts of 2024
  - New Licensing Categories:
    - Office-based surgical centers
    - Urgent care centers face stricter licensing requirements.
  - Massachusetts False Claims Act
    - Imposes liability on owners and investors that know about and fail to disclose violations of the Massachusetts False Claims Act.
  - Required Assessments from Health Care Entities
  - Prohibitions on Hospitals Leasing its Main Campus from a real estate investment trust ("REIT")

"An Act Enhancing the Market Review Process," Chapter 343 of the Acts of 2024 Cont.

- New Office for Health Resource Planning
- Expanding Studies on Health Care
  - Primary Care Task Force
- Increased Oversight of Health Care Transactions*
- Expanded Reporting Obligations*

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Chapter 343 of the Acts of 2024: Key Market Oversight Changes

Katherine Scarborough Mills

Senior Director, Market Oversight and Transparency

April 30, 2025

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Chapter 343 of the Acts of 2024 was signed into law on January 8, 2025.

HPC

An Act enhancing the market review process: Key HPC Provisions

- Changes the HPC's Board membership and assessment
- Expands the scope of annual Cost Trends Hearing
- Requires statewide health planning with increased data collection and agency coordination
- Expands pharmaceutical and PBM oversight (see also Chapter 342 of the Acts of 2024)
- Expands the entities that may be required to report to the Registration of Provider Organization program and the scope of information that may be collected, including regarding significant equity investors, REITs, and MSOs
- Enhances market oversight, including by requiring additional types of transactions (e.g. transactions involving a significant equity investor) be filed as "Material Change Notices" with the HPC and by allowing the HPC to assess post-transaction impacts for 5 years

Background: Mass. Registration of Provider Organizations (MA-RPO) Program

HPC

- The MA-RPO Program, a joint effort of the Health Policy Commission (HPC) and the Center for Health Information and Analysis (CHIA), is a first-in-the-nation initiative for collecting public, standardized information on Massachusetts' largest health care providers annually.
- Approximately 50 provider organizations were required to register in the 2024 filing.
  - These mainly included hospital systems, physician groups, and behavioral health providers that received $25M or more in net patient service revenue (NPSR) from commercial payers, including Medicare Advantage plans and MassHealth managed care organizations (MCO), or that received a risk certificate from the Division of Insurance.
- The data contribute to a foundation of information needed to support health care system transparency and improvement.
  - This regularly reported information on the health care delivery system supports many functions including care delivery innovation, evaluation of market changes, health resource planning, and tracking and analyzing system-wide and provider-specific trends.

DATA COLLECTED TO-DATE

1. Background Information
2. Corporate Affiliations
3. Contracting Affiliations
4. Contracting Entity
5. Facilities
6. Clinical Affiliations
7. Physician Roster
8. Financial Statements
9. Payer Mix

MA-RPO Program: Key Statutory Updates

- **Change:** The program's revenue threshold is updated such that entities are **required to register if they received $25 million or more in NPSR from *all payers*** (rather than only from commercial payers including Medicare Advantage plans and MassHealth MCOs), in the prior fiscal year.
- **Expected Impact:** More entities will be required to register because of the updated registration threshold.
  - All general acute hospitals in the Commonwealth are currently reported in the MA-RPO data
  - The new registration threshold will allow the program to collect more data on other provider types, including non-acute hospitals and ambulatory care providers (e.g., health centers, urgent care centers, imaging providers, and more).
  - Newly eligible providers may include those that are more likely to have PE investment, including in the post-acute care space.
- **Change:** The scope of the ownership, governance, and organizational information the HPC collects from RPOs is expanded to include information on **significant equity investors, health care real estate investment trusts (REITs), and management services organizations (MSOs)**,
- **Expected Impact:** This update coupled with the new registration threshold should give the Commonwealth a better understanding of PE involvement in MA health care entities.
  - The MA-RPO program expects to include questions aimed at understanding the scope of equity investors, health care REITs, and MSOs within reporting organizations in the upcoming registration cycle, with additional information reported in future years.

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Other MA-RPO Statutory Changes

- The scope of the comprehensive financial statement collected by CHIA is expanded to include "information on parent entities, including their out-of-state operations, and corporate affiliates, **including significant equity investors, health care real estate investment trusts and management services organizations** as applicable"
- The MA-RPO program has authority to require certain information be reported quarterly by organizations with PE investment and to require the disclosure of relevant information from any significant equity investor associated with a registered provider organization
- **Penalties for non-compliance with RPO and other CHIA reporting requirements are increased** (to $25,000/week) and HPC and DPH may consider reporting non-compliance in CMIRs and licensure and DoN reviews, respectively
- The MA-RPO program, along with all other programs at state agencies that license, register, regulate, or otherwise collect data concerning health care resources, is directed to **support DPH and the new Office of Health Resource Planning** in collecting all necessary data and information to create and maintain an inventory of all health care resources in the state.

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Polling Question 3

- The MA-RPO program data is intended to be a public resource to understand the Massachusetts health care system and data are publicly available on the HPC website. Has your organization used the MA-RPO data in the past?
  - Yes
  - No
  - I don't know

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Background: HPC's Role in Reviewing Health Care Market Changes

- Market structure and new provider changes, including consolidation and new relationships, have been shown to impact health care system performance and total medical spending.
- State law directs the HPC to track "material change[s] to [the] operations or governance structure" of provider organizations and to engage in a more comprehensive review, or Cost and Market Impact Review, of transactions anticipated to have a significant impact on health care costs or market functioning.
- For provider changes that require the filing of a Determination of Need (DoN) application with the Department of Public Health (DPH), the HPC is a Party of Record and may comment on any application.
- The goal of the HPC's market reviews is to promote transparency and accountability in engaging in market changes, ensure consistency with the state's cost containment goals, and encourage market participants to minimize negative impacts and enhance positive outcomes of any given material change.

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Background: Material Change Notices

Since 2013, Providers with >$25M in NPSR have been required to file "Material Change Notices" before engaging in five different types of transactions

5 Types of Material Change Notices

- Merger, Affiliation or Acquisition by a Carrier
- Merger or Acquisition with/by hospital or hospital system
- Clinical Affiliation between 2 or more providers (NPSR >25M)
- Partnership, joint venture, etc. contracting on behalf of one or more providers
- Acquisition, Merger or affiliation (corporate, contracting or employment) by or with another Provider resulting in an NPSR increase of 10M or more, or near-majority market share

Background: 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

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Background: Factors for Evaluating Cost and Market Impact of Provider Transactions

MARKET FUNCTIONING

Cost ↕ Quality ↕ Access ↕ Public Interest

- Unit prices
- Health status adjusted total medical expenses
- Provider costs and cost trends
- Provider size and market share within primary service areas and dispersed service areas
- Quality of services provided, including patient experience
- Availability and accessibility of services within primary service areas and dispersed service areas
- Impact on competing options for health care delivery, including impact on existing providers
- Methods used to attract patient volume and to recruit or acquire health care professionals or facilities
- Role in serving at-risk, underserved, and government payer populations
- Role in providing low margin or negative margin services
- Consumer concerns, such as complaints that the provider has engaged in any unfair method of competition or any unfair or deceptive act
- Other factors in the public interest

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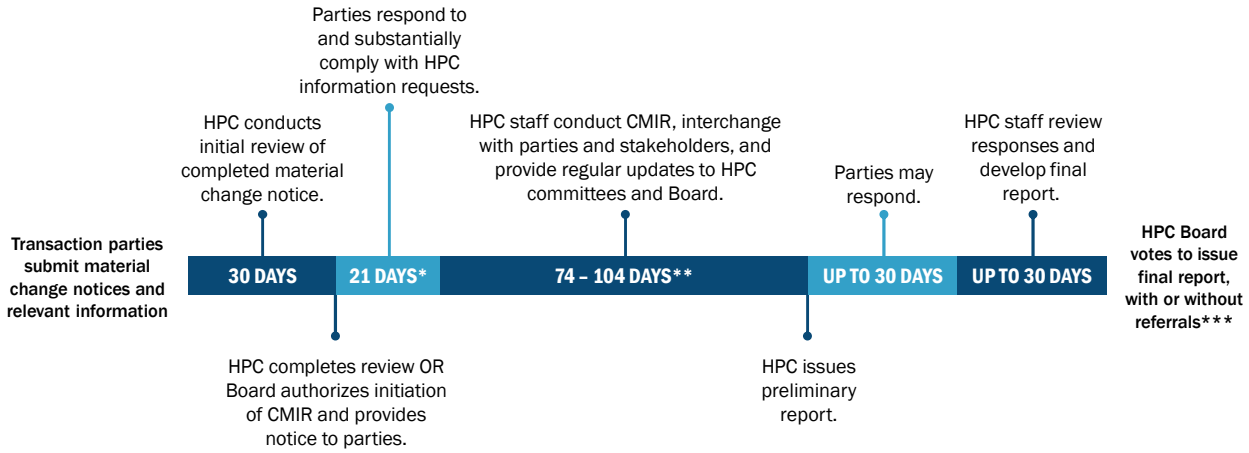
Background: Timelines for MCN/CMIR Review



* 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

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Background: Since 2013, the HPC has reviewed 186 market changes; 10 have proceeded to full Cost and Market Impact Reviews

TYPE OF TRANSACTION	NUMBER	FREQUENCY
Physician group merger, acquisition, or network affiliation	41	22%
Formation of a contracting entity	40	22%
Clinical affiliation	36	19%
Acute hospital merger, acquisition, or network affiliation	31	17%
Merger, acquisition, or network affiliation of other provider type (e.g., post-acute)	31	17%
Change in ownership or merger of corporately affiliated entities	6	3%
Affiliation between a provider and a carrier	1	1%

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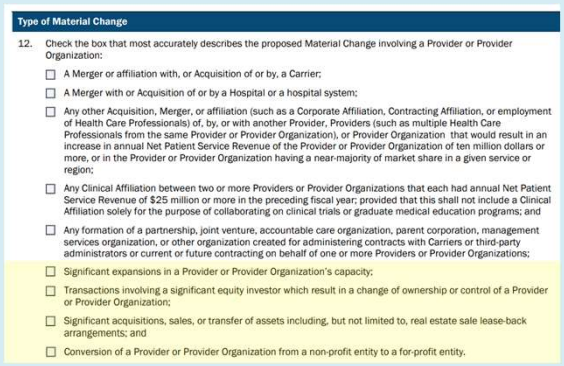
Key Expansions of HPC Market Oversight Authority in Chapter 343 of the Acts of 2024

HPC

- Expands the triggers for material change notice (MCN) reviews to include:
  - **Significant expansion** in a provider's capacity;
  - 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; and
  - Conversions of a provider from a non-profit entity to **for-profit**
- **Expands HPC authority to collect information from significant equity investors and other parties to a transaction**, including by allowing the HPC to require financial statements and materials on an investor's capital structure be filed with the notice
- Authorizes the HPC to require **additional reporting** for a period of five years after the completion of an MCN to assess post-transaction impacts
- Adds to the factors the HPC examines in a cost and market impact review (CMIR) any related health planning data as well as the size and market share of any significant equity investors

Advance guidance on expansion of material changes and an updated MCN Filing Form went into effect on April 8, 2025.

HPC has issued an updated MCN Filing Form including the four new types of proposed changes:



Type of Material Change

12. Check the box that most accurately describes the proposed Material Change involving a Provider or Provider Organization:

- ☐ A Merger or affiliation with, or Acquisition of or by, a Carrier;
- ☐ A Merger with or Acquisition of or by a Hospital or a hospital system;
- ☐ Any other Acquisition, Merger, or affiliation (such as a Corporate Affiliation, Contracting Affiliation, or employment of Health Care Professionals) of, by, or with another Provider, Providers (such as multiple Health Care Professionals from the same Provider or Provider Organization), or Provider Organization that would result in an increase in annual Net Patient Service Revenue of the Provider or Provider Organization of ten million dollars or more, or in the Provider or Provider Organization having a near-majority of market share in a given service or region;
- ☐ Any Clinical Affiliation between two or more Providers or Provider Organizations that each had annual Net Patient Service Revenue of $25 million or more in the preceding fiscal year; provided that this shall not include a Clinical Affiliation solely for the purpose of collaborating on clinical trials or graduate medical education programs; and
- ☐ Any formation of a partnership, joint venture, accountable care organization, parent corporation, management services organization, or other organization created for administering contracts with Carriers or third-party administrators or current or future contracting on behalf of one or more Providers or Provider Organizations;
- ☐ Significant expansions in a Provider or Provider Organization's capacity;
- ☐ Transactions involving a significant equity investor which result in a change of ownership or control of a Provider or Provider Organization;
- ☐ Significant acquisitions, sales, or transfer of assets including, but not limited to, real estate sale lease-back arrangements; and
- ☐ Conversion of a Provider or Provider Organization from a non-profit entity to a for-profit entity.

- The HPC issued **advance guidance** on March 19, 2025 along with an **updated MCN Filing Form** regarding the four new types of proposed changes that were added to the definition of Material Change under Chapter 343 of the Acts of 2024.
- The **advance guidance** and **updated MCN Filing Form** were posted to the HPC website distributed via the HPC's MCN email list and went into effect on April 8, 2025.
- The HPC anticipates conducting a **regulatory development process** to amend 958 CMR 7.00 to fully implement the new requirements in Fall 2025.*

** Timeline is subject to change*

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Guidance on Expansion of Material Changes

*Subject to change through the full regulatory process

- **"Significant expansions in a Provider or Provider Organization's capacity"** includes any increase to a Provider or Provider Organization's capacity (e.g. additions of beds, equipment or new sites) that require an application to be submitted to the Massachusetts Department of Public Health's Determination of Need program.
- **"Transactions involving a significant equity investor which result in a change of ownership or control of a Provider or Provider Organization"** includes any investment by an equity investor that will change the ownership of a Provider or Provider Organization or any investment in excess of $10M that results in an equity investor having significant control over a Provider or Provider Organization, e.g., the potential to appoint a board member(s), make key business decisions (e.g., hiring or terminating staff).
- **"Significant acquisitions, sales, or transfer of assets including, but not limited to, real estate sale lease-back arrangements"** includes the sale of any licensed facility or the sale of real property assets where Health Care Services are delivered for the purposes of a real estate lease-back arrangement.

The fourth new Material Change, *Conversion of a Provider or Provider Organization from a non-profit entity to a for-profit entity*, is omitted for purposes of this slide.

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Further Market Monitoring Changes

- Adds new stakeholders required to testify at the **HPC's Annual Cost Trends Hearing**, including significant equity investors, health care real estate investment trusts, management services organizations, pharmaceutical manufacturers, PBMs, and state agency partners
- **Directs DPH to consider, in its review of a Determination of Need (DoN) application**: the state health plan, the Commonwealth's cost containment goals, impacts on patients (including considerations of health equity), and comments and relevant data from CHIA and the HPC, including any CMIR report
- Codifies Department of Public Health (DPH) regulations to toll the DoN timeline for an independent cost analysis, CMIR, and performance improvement plan
- Authorizes DPH to seek an **impact analysis of a closure** of a hospital or essential health service from the HPC during its review of any such closure

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Timeline: Changes to Market Oversight Authority

January 8, 2025 — Chapter 343 of the Acts of 2024 signed into law

March 2025 — Publication of advance MCN/CMIR guidance

April 8, 2025 — Effective date of new requirements; guidance becomes operative
Revised MCN Filing Form available on the HPC's website

Summer 2025 — (Anticipated) Release of Data Submission Manual for 2025 MA-RPO Registrants
Outreach to new MA-RPO Registrants

Fall 2025 — (Anticipated) Regulatory development process to amend 958 CMR 6.00 & 958 CMR 7.00
Annual MA-RPO Registration

Timeline subject to change.

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