Health Care January 27, 2014

Massachusetts Health Policy Commission Releases Regulations for Registration of Provider Organizations

On January 8, 2014, the Massachusetts Health Policy Commission (the "HPC") published a <u>Notice of Hearing</u> and <u>proposed regulations</u> detailing the process that certain provider organizations (as described below) must follow in order to register with the HPC. These regulations are being issued pursuant to Section 11 of Chapter 6D of the Massachusetts General Laws.

Registration is required for any provider or provider organization with: (i) at least \$25 million in annual net patient service revenue from private carriers and third-party administrators in the prior fiscal year; and (ii) a patient panel of more than 15,000 over the past 36-month period. A "provider" is defined as any person or entity qualified in Massachusetts to provide health care services, and a "provider organization" is defined to include any entity or organized group in the business of health care delivery or management that represents one or more health care providers in contracting with private payors or third-party administrators. This includes, for example, physician organizations, physician-hospital organizations, independent practice associations, provider networks, and accountable care organizations. Registration is also required for any risk-bearing provider organization ("RBPO") irrespective of revenue or panel size. RBPOs are provider organizations that accept downstream risk pursuant to an alternative payment contract. In addition to registration with the HPC, RBPOs are subject to Division of Insurance certification requirements (described here).

The regulations propose a staggered registration timeline. Initial registration by July 1, 2014 will be required for RBPOs as well as provider organizations principally composed of physician groups, acute care hospitals, rehabilitation hospitals, long-term acute care hospitals, or provider organizations that provide behavioral health services. Other providers and provider organizations must register according to a registration schedule to be published by the HPC. Providers or provider organizations that do not initially meet the registration criteria would nonetheless be required to later register with the HPC within 90 days of becoming an RBPO or upon exceeding the panel size and revenue thresholds.

Registration of a provider organization will also satisfy the registration requirement for each of its corporate affiliates (*i.e.*, partially or completely controlled entities or entities under common control) and any contractual affiliates that it represents for purposes of contracting with private payors and third-party administrators.

In order to register, a substantial set of data must be submitted, including information about ownership, governance, operational structure, funds flow, revenue, facilities, and employees. The HPC will publish a "Data Submission Manual" detailing the specific requirements before the proposed regulations are finalized and plans to distribute the draft manual to certain providers and stakeholders for comment.

A public hearing on these regulations will be held February 12, 2014, and all comments must be received by the HPC by noon on February 28, 2014.

If you would like to discuss the foregoing or any other related matter, please contact <u>Michele Garvin</u>, <u>Bill Knowlton</u>, <u>Tim McCrystal</u> or your usual Ropes & Gray advisor.