

Office of Health Care Affordability Market Oversight

Office will prospectively review market transactions

- **Beginning in April 2024**, providers who are not subject to alternative noticing requirements (e.g., investor-owned hospitals) must notify the office of the intent to transact. Other health care entities (e.g., nonprofit hospitals) may be referred to the office by their applicable state oversight agencies.
- Office reviews will supplement existing market oversight responsibilities of other state agencies:
 - Attorney General
 - Department of Managed Health Care
 - Department of Insurance



California cost and market impact reviews will consider:

- Changes in size or market share in a given service or region
- Prices relative to other providers
- Quality, equity, access, and other factors in the public interest
- Benefits of the proposed transaction

Market Oversight Process in California and Massachusetts

Entities provide notice of “material change”

In California, it must be **90 days before the proposed transaction.**

In Massachusetts, it must be **60 days before the proposed transaction.**

“Material changes” in California:

- Left to be defined in regulation.

“Material changes” in Massachusetts:

- Mergers
- Acquisitions
- Clinical affiliations among providers if each have revenues > _ \$25 million

The state agency determines whether to conduct a full review.

In California, the **time frame is still undetermined.**

In Massachusetts, the **time frame is 30 days following notice.**

The state agency issues a final cost and market impact review report.

In California, the **time frame for issuing the report is currently undetermined.**

In Massachusetts, the **time frame for issuing the report is 185 days.**

The market transaction may be completed.

In California, the **market transaction may be completed 60 days after the final report.**

In Massachusetts, the **market transaction may be completed 30 days after the final report.**

In Massachusetts, **150 notices of “material changes”** have been submitted and the commission has elected to conduct **eight reviews** since 2013.