

**Commonwealth of Massachusetts
Executive Office of Health and Human Services**

NOTICE OF PUBLIC HEARING

Under the authority of M.G.L. c. 118E and in accordance with M.G.L. c. 30A, the Executive Office of Health and Human Services (EOHHS) will hold a remote public hearing on Monday, March 24, 2025, at 10 a.m. relative to the emergency adoption of amendments to the following regulation.

101 CMR 515.00: Managed Care Organization Services Payor Assessment

The regulation went into effect as an emergency on February 26, 2025. There is no fiscal impact on cities and towns.

Regulation 101 CMR 515.00 governs the Managed Care Organization Services Payor Assessment (the “Assessment”) established under M.G.L. c. 118E, sec. 68 through the Massachusetts Fiscal Year 2025 (FY25) Budget. This proposed regulation is necessary to implement the Assessment pursuant to statutory requirements. It establishes the following.

- Definitions applicable to the implementation of the Assessment.
- Three Assessment groups, including commercial MCO services; Medicaid MCO services rendered by entities with annual revenue less than or equal to \$2M; and Medicaid MCO services rendered by entities with annual revenue greater than \$2M.
- The initial Assessment rates for each group.
- The processes to:
 - Update the rates in a manner consistent with federal healthcare-related tax requirements
 - Reconcile for over- or under-collections from prior years, including annual updates to such rates via sub-regulatory written issuance
 - As necessary, implement rate amendments during the assessment year to adjust for projected over- or under-collections
- Reporting requirements and authority for EOHHS to specify required reporting via sub-regulatory written issuance.
- Clear enforcement mechanisms for MCO entities subject to the Assessment that are delinquent on paying.

The new rates and assessment group structure has been approved by CMS under 42 CFR 433.68. The regulation also specifies that the statutory change to M.G.L. c. 118E, sec. 68, enacted through the FY25 budget, repealed the surcharges previously collected from payors.

To register to testify at the hearing and to get instructions on how to join the hearing online, go to www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings. To join the hearing by phone, call (646) 558-8656 and enter meeting ID 935 397 8200# when prompted.

You may also submit written testimony instead of, or in addition to, live testimony. To submit written testimony, please email your testimony to ehs-regulations@mass.gov as an attached Word or PDF document or as text within the body of the email with the name of the regulation in the subject line. All written testimony must include the sender's full name, mailing address, and organization or affiliation, if any. Individuals who are unable to submit testimony by email should mail written testimony to EOHHS, c/o D. Briggs, 100 Hancock Street, 6th Floor, Quincy, MA 02171. Written testimony will be accepted through 5:00 p.m. on March 24, 2025. EOHHS specifically invites comments as to how the amendments may affect beneficiary access to care for MassHealth-covered services.

To review the emergency regulation, go to www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings or request a copy in writing from MassHealth Publications, 100 Hancock Street, 6th Floor, Quincy, MA 02171.

Special accommodation requests may be directed to the Disability Accommodations Ombudsman by email at ADAAccommodations@mass.gov or by phone at (617) 847-3468 (TTY: (617) 847-3788 for people who are deaf, hard of hearing, or speech disabled). Please allow two weeks to schedule sign language interpreters.

EOHHS may adopt a final, revised version of the emergency regulation taking into account relevant comments and any other practical alternatives that come to its attention.

In case of inclement weather or other emergency, hearing cancellation announcements will be posted on the MassHealth website at www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings.

March 3, 2025

Small Business Impact Statement

(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No: 101 CMR 515.00: *Managed Care Organization Services Payor Assessment*

Estimate of the Number of Small Businesses Impacted by the Regulation: The regulation applies to all entities providing managed care services subject to the Assessment in Massachusetts. There are 12 large corporate entities that are anticipated to be significant payors subject to the Assessment.

Select Yes or No and Briefly Explain

Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Will small businesses have to create, file, or issue additional reports? Yes. Regulated parties, which may include small businesses, will be required to submit reports under this proposed regulation to ensure accurate application of the Assessment.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to implement additional recordkeeping procedures? No. There are no additional recordkeeping procedures for small businesses or other regulated parties required through this proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to provide additional administrative oversight? No. There are no additional administrative oversight requirements for small businesses or other regulated parties through this proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Will small businesses have to hire additional employees in order to comply with the proposed regulation? No. Neither small businesses nor other regulated parties will need to hire additional employees to comply with this proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)? No. Neither small businesses nor other regulated parties will need to hire other professionals to comply with this proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation? No. Neither small businesses nor other regulated parties will need to purchase products or make capital investments to comply with this proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective? (Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.) No. Performance standards are not more appropriate than design or operational standards to accomplish the regulatory objective of the proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Do any other regulations duplicate or conflict with the proposed regulation? No. There are no other regulations that duplicate or conflict with the proposed regulation.
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities? Yes. The proposed regulation implements reasonable enforcement authority to ensure that entities subject to the Assessment pay as required, and to ensure fairness in implementation/application.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements? No. The proposed regulation does not require small businesses or other regulated parties to provide educational services to keep up to date with regulatory requirements.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Is the regulation likely to <i>deter</i> the formation of small businesses in Massachusetts?

		No. The proposed regulation is not likely to deter or encourage the formation of small businesses in Massachusetts.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Is the regulation likely to <i>encourage</i> the formation of small businesses in Massachusetts? No. The proposed regulation is not likely to deter or encourage the formation of small businesses in Massachusetts.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation provide for less stringent compliance or reporting requirements for small businesses? No. The proposed regulation does not distinguish between small businesses and other businesses.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? No. The proposed regulation does not distinguish between small businesses and other businesses.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Did the agency consolidate or simplify compliance or reporting requirements for small businesses? No. The proposed regulation does not distinguish between small and other businesses.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective? No. Distinguishing between small and other businesses would not be practical to implement the proposed regulation.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Are there alternative regulatory methods that would minimize the adverse impact on small businesses? No. The proposed regulation does not have an adverse impact on small businesses. Regulatory amendments are required to implement managed care organization services assessment structure, which is required under state law.