

HOUSE No. 1040

The Commonwealth of Massachusetts

PRESENTED BY:

Kevin G. Honan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act for health care non-discrimination.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>	<i>1/19/2023</i>

HOUSE No. 1040

By Representative Honan of Boston, a petition (accompanied by bill, House, No. 1040) of Kevin G. Honan relative to establishing alternative payment arrangements to promote health care non-discrimination. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1115 OF 2021-2022.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act for health care non-discrimination.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 176O of the General Laws is amended by adding the following
2 Section.

3 Section 28. (a) When establishing alternative payment arrangements, a carrier may take
4 into account patient population characteristics including age, acuity, social determinants of
5 health, and behavioral health service needs. The measures of total medical expense used to
6 establish an alternative payment arrangement should include expenses incurred by all providers
7 in the carrier’s provider network, uniformly applied by provider type. When establishing
8 alternative payment arrangements, a carrier shall not take into account provider prices or historic
9 medical spending attributable only to a subset of its provider network or the historic medical
10 expenses of members based on their attribution to specific providers in the carrier’s network.

11 (b) In addition to the factors set forth in subsection (a) of this section, an alternative
12 payment arrangement may include adjustments for claims processing and administrative costs
13 and incentive payments based on attainment of quality measures or outcomes, as negotiated
14 between a carrier and providers participating in the alternative payment arrangement.

15 (c) Each carrier shall file with the center for health information and analysis data on its
16 alternative payment arrangements sufficient for the verification of compliance with subsection
17 (a) of this section, in a form determined by the center for health information and analysis.

18 (d) A violation of subsection (a) or (c) of this section shall be a violation of Section ___ of
19 chapter 93A of the general laws.

20 SECTION 2. Chapter 176O is amended by adding the following definition after the
21 definition of adverse determination:

22 “Alternative payment arrangement” means a contract between a carrier and a health care
23 provider or group of providers under which payment is made by capitation, shared savings,
24 reconciliation of fee-for-service payments against a global budget or per-member-per month
25 target, or any other method that bases payments to the provider on a projection of the medical
26 expenses to be incurred by a population of individuals.