

HOUSE No. 1184

The Commonwealth of Massachusetts

PRESENTED BY:

Frank A. Moran

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 equity for high value community hospitals.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Frank A. Moran</i>	<i>17th Essex</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>
<i>Claire D. Cronin</i>	<i>11th Plymouth</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>
<i>Tackey Chan</i>	<i>2nd Norfolk</i>
<i>Daniel Cahill</i>	<i>10th Essex</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>
<i>Michael J. Finn</i>	<i>6th Hampden</i>
<i>William J. Driscoll, Jr.</i>	<i>7th Norfolk</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>
<i>James Arciero</i>	<i>2nd Middlesex</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>

<i>Joseph W. McGonagle, Jr.</i>	<i>28th Middlesex</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>
<i>Carlos Gonzalez</i>	<i>10th Hampden</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>
<i>Christina A. Minicucci</i>	<i>14th Essex</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>
<i>Michael S. Day</i>	<i>31st Middlesex</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>
<i>Marc T. Lombardo</i>	<i>22nd Middlesex</i>
<i>Joseph D. McKenna</i>	<i>18th Worcester</i>
<i>James M. Kelcourse</i>	<i>1st Essex</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Chynah Tyler</i>	<i>7th Suffolk</i>
<i>Barry R. Finegold</i>	<i>Second Essex and Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and Middlesex</i>
<i>Stephan Hay</i>	<i>3rd Worcester</i>
<i>Diana DiZoglio</i>	<i>First Essex</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>
<i>Gerard J. Cassidy</i>	<i>9th Plymouth</i>
<i>Jonathan D. Zlotnik</i>	<i>2nd Worcester</i>
<i>Dean A. Tran</i>	<i>Worcester and Middlesex</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>Susannah M. Whipps</i>	<i>2nd Franklin</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>
<i>David M. Nangle</i>	<i>17th Middlesex</i>
<i>Paul Brodeur</i>	<i>32nd Middlesex</i>
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>

<i>Colleen M. Garry</i>	<i>36th Middlesex</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>
<i>F. Jay Barrows</i>	<i>1st Bristol</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>

HOUSE No. 1184

By Mr. Moran of Lawrence, a petition (accompanied by bill, House, No. 1184) of Frank A. Moran and others for legislation to further rate equity, access to, and affordability through equitable commercial health plan rates of reimbursement to community hospitals. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act for equity for high value community hospitals.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to further rate equity, access to, and affordability through equitable commercial health plan rates of reimbursement to community hospitals, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public health., therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public health.

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 176J of the General Laws is hereby amended in section 6 in
2 subsection (c), as so appearing, by adding at the end thereof the following:-

3 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
4 subject to the disapproval of the commissioner of insurance. To address commercial insurance
5 price variation for underpaid acute hospitals and to promote access to high value acute hospital
6 care in the Commonwealth, for all commercial insured health benefit plan rates effective for rate
7 years on and after January 1, 2020, the carrier's health benefit plan rates filed with the division of
8 insurance are considered presumptively disapproved if the carrier's network provider

9 reimbursement rates, inclusive of rates and targets within alternative payment contracts, do not
10 reimburse acute hospitals at or greater than a minimum of 90 percent of the carrier's statewide
11 average commercial relative price calculated separately for acute hospital inpatient and
12 outpatient services in accordance with requirements established by the division of insurance,
13 based on the most recent relative price analysis by the center for health information and analysis.
14 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance
15 that each acute hospital's rates meet a minimum threshold of the carrier's 90 percent of the
16 statewide average commercial relative price individually calculated for inpatient and outpatient
17 services.

18 SECTION 2. Chapter 176A of the General Laws is hereby amended in section 6, as so
19 appearing, by adding the following after the word "discriminatory":-

20 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
21 subject to the disapproval of the commissioner of insurance. To address commercial insurance
22 price variation for underpaid acute hospitals and to promote access to high value acute hospital
23 care in the Commonwealth, for all commercial insured health benefit plan rates effective for rate
24 years on and after January 1, 2020, the carrier's health benefit plan rates filed with the division of
25 insurance are considered presumptively disapproved if the carrier's network provider
26 reimbursement rates, inclusive of rates and targets within alternative payment contracts, do not
27 reimburse acute hospitals at or greater than a minimum of 90 percent of the carrier's statewide
28 average commercial relative price calculated separately for acute hospital inpatient and
29 outpatient services in accordance with requirements established by the division of insurance,
30 based on the most recent relative price analysis by the center for health information and analysis.
31 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance

32 that each acute hospital’s rates meet a minimum threshold of the carrier’s 90 percent of the
33 statewide average commercial relative price individually calculated for inpatient and outpatient
34 services.

35 SECTION 3. Chapter 176B of the General Laws is hereby amended in section 4, as so
36 appearing, by inserting the following after the word “discriminatory”:-

37 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
38 subject to the disapproval of the commissioner of insurance. To address commercial insurance
39 price variation for underpaid acute hospitals and to promote access to high value acute hospital
40 care in the Commonwealth, for all commercial insured health benefit plan rates effective for rate
41 years on and after January 1, 2020, the carrier's health benefit plan rates filed with the division of
42 insurance are considered presumptively disapproved if the carrier's network provider
43 reimbursement rates, inclusive of rates and targets within alternative payment contracts, do not
44 reimburse acute hospitals at or greater than a minimum of 90 percent of the carrier’s statewide
45 average commercial relative price calculated separately for acute hospital inpatient and
46 outpatient services in accordance with requirements established by the division of insurance,
47 based on the most recent relative price analysis by the center for health information and analysis.
48 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance
49 that each acute hospital’s rates meet a minimum threshold of the carrier’s 90 percent of the
50 statewide average commercial relative price individually calculated for inpatient and outpatient
51 services.

52 SECTION 4. Chapter 176G of the General Laws is hereby amended in section 16, as so
53 appearing, by inserting the following after the word “reasonable”:-

54 To address commercial insurance price variation for underpaid acute hospitals and to
55 promote access to high value acute hospital care in the Commonwealth, for all commercial
56 insured health benefit plan rates effective for rate years on and after January 1, 2020, the carrier's
57 health benefit plan rates filed with the division of insurance are considered presumptively
58 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets
59 within alternative payment contracts, do not reimburse acute hospitals at or greater than a
60 minimum of 90 percent of the carrier's statewide average commercial relative price calculated
61 separately for acute hospital inpatient and outpatient services in accordance with requirements
62 established by the division of insurance, based on the most recent relative price analysis by the
63 center for health information and analysis. Carriers shall annually certify and provide hospital-
64 specific evidence to the division of insurance that each acute hospital's rates meet a minimum
65 threshold of the carrier's 90 percent of the statewide average commercial relative price
66 individually calculated for inpatient and outpatient services.

67 SECTION 5. Chapter 175 of the General Laws is hereby amended by adding the
68 following new section:-

69 Section 229. Approval of Contracts

70 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
71 subject to the disapproval of the commissioner of insurance. No such contracts shall be
72 approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the
73 rates are excessive, inadequate, or unfairly discriminatory.

74 To address commercial insurance price variation for underpaid acute hospitals and to
75 promote access to high value acute hospital care in the Commonwealth, for all commercial

76 insured health benefit plan rates effective for rate years on and after January 1, 2020, the carrier's
77 health benefit plan rates filed with the division of insurance are considered presumptively
78 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets
79 within alternative payment contracts, do not reimburse acute hospitals at or greater than a
80 minimum of 90 percent of the carrier's statewide average commercial relative price calculated
81 separately for acute hospital inpatient and outpatient services in accordance with requirements
82 established by the division of insurance, based on the most recent relative price analysis by the
83 center for health information and analysis. Carriers shall annually certify and provide hospital-
84 specific evidence to the division of insurance that each acute hospital's rates meet a minimum
85 threshold of the carrier's 90 percent of the statewide average commercial relative price
86 individually calculated for inpatient and outpatient services.

87 SECTION 6. The rules or regulations necessary to carry out this act shall be adopted not
88 later than May 1, 2019 or not later than 90 days after the effective date of this act, whichever is
89 sooner.

90 SECTION 7. Sections 1, 2, 3, 4, 5 to 6, inclusive, shall take effect immediately upon the
91 effective date of this act.