

HOUSE No. 01470

The Commonwealth of Massachusetts

PRESENTED BY:

Michael A. Costello

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 passage of the accompanying bill:

An Act relative to an affordable health plan.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Michael A. Costello

1st Essex

Kate Hogan

3rd Middlesex

HOUSE No. 01470

By Mr. Michael A. Costello of Newburyport, petition (accompanied by bill, House, No. 01470) of Kate Hogan and Michael A. Costello relative to affordable health plans. Joint Committee on Public Health.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to an affordable health plan.

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, as appearing in the 2008 Official Edition, is
2 hereby amended by adding the following section:-

3 Section 11. As used in this section, the following words shall have the following meanings:

4 "Statutory reimbursement rate," with respect to payment to a health care provider for services
5 rendered to any person covered under an "Affordable Health Plan", 110 percent of the Medicare
6 reimbursement rate for those services as if they were rendered to a Medicare beneficiary not
7 taking into consideration any beneficiary cost sharing. For services or supplies for which there is
8 no Medicare reimbursement amount, the amount as determined by the commissioner of the
9 division of health care finance and policy is to be consistent with Medicare payment policies at a
10 110 percent level and set in consultation with the commissioner of insurance.

11 (a) As a condition of doing business in the commonwealth, a carrier that offers health benefit
12 plans to eligible small businesses and eligible individuals, as defined by chapter 176J, shall offer
13 an "Affordable Health Plan" to all eligible individuals and small businesses, both within the
14 connector, for such carriers participating in the connector, and for all such carriers outside the
15 connector. This "Affordable Health Plan" shall contain benefits that are actuarially equivalent to
16 the lowest level benefit plan available to the general public within the connector, other than the
17 young adult plan. Payment for all services, other than outpatient pharmacy benefits, for all
18 providers under "Affordable Health Plans" shall be consistent with the requirements as included
19 in paragraph (b).

20 (b) Claims for services shall be adjudicated at the in-network benefit level or, if applicable under
21 the terms of the plan, the out-of-network benefit level based on the participation status of the
22 provider in the carrier's network. Every health care provider licensed in the commonwealth
23 which provides covered services to a person covered under "Affordable Health Plans" must
24 provide such service to any such person, as a condition of their licensure, and must accept
25 payment at the lowest of the statutory reimbursement rate, an amount equal to the actuarial
26 equivalent of the statutory reimbursement rate, or the applicable contract rate with the carrier for
27 the carrier's product offering with the lowest level benefit plan available to the general public
28 within the connector, other than the young adult plan, and may not balance bill such person for
29 any amount in excess of the amount paid by the carrier pursuant to this section, other than
30 applicable co-payments, co-insurance and deductibles.

31 (c) Providers shall not attempt to recoup such excess amounts by increasing charges to other
32 health benefit plans or other payers. The division of health care finance and policy shall monitor
33 provider charges to ensure compliance with this section and shall report any non-compliance to

34 the attorney general. The division of health care finance and policy shall promulgate regulations
35 enforcing this subsection, which shall include penalties for noncompliance.

36 (d) Existing contracts between providers and carriers shall comply with the requirements of this
37 section as to the reimbursement rate and providers shall provide services to individuals under
38 "Affordable Health Plans" under such existing contracts with carriers. A provider that
39 participates in a carrier's network or any health benefit plan shall not refuse to participate in the
40 carrier's network with respect to the "Affordable Health Plan".

41 SECTION 2. Section 11 of Chapter 176J is hereby repealed.

42 SECTION 3. Section 2 of this act shall take effect on January 1, 2013.