

HOUSE No. 522

The Commonwealth of Massachusetts

PRESENTED BY:

Tricia Farley-Bouvier

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 to promote value-based insurance design in the Commonwealth.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|-------------------------------|-----------------------------|
| <i>Tricia Farley-Bouvier</i> | <i>3rd Berkshire</i> |
| <i>Jason M. Lewis</i> | <i>Fifth Middlesex</i> |
| <i>Jose F. Tosado</i> | <i>9th Hampden</i> |
| <i>Jack Lewis</i> | <i>7th Middlesex</i> |
| <i>Denise Provost</i> | <i>27th Middlesex</i> |
| <i>Sarah K. Peake</i> | <i>4th Barnstable</i> |
| <i>Jennifer E. Benson</i> | <i>37th Middlesex</i> |
| <i>Carmine L. Gentile</i> | <i>13th Middlesex</i> |
| <i>Linda Dorcena Forry</i> | <i>First Suffolk</i> |
| <i>Solomon Goldstein-Rose</i> | <i>3rd Hampshire</i> |
| <i>David Paul Linsky</i> | <i>5th Middlesex</i> |
| <i>Marjorie C. Decker</i> | <i>25th Middlesex</i> |
| <i>Ruth B. Balsler</i> | <i>12th Middlesex</i> |
| <i>Kay Khan</i> | <i>11th Middlesex</i> |
| <i>Patrick M. O'Connor</i> | <i>Plymouth and Norfolk</i> |
| <i>Angelo J. Puppolo, Jr.</i> | <i>12th Hampden</i> |
| <i>Mike Connolly</i> | <i>26th Middlesex</i> |
| <i>Paul R. Heroux</i> | <i>2nd Bristol</i> |

| | |
|-----------------------------|-----------------------------------|
| <i>Edward F. Coppinger</i> | <i>10th Suffolk</i> |
| <i>Barbara A. L'Italien</i> | <i>Second Essex and Middlesex</i> |
| <i>Mary S. Keefe</i> | <i>15th Worcester</i> |
| <i>Christine P. Barber</i> | <i>34th Middlesex</i> |
| <i>John W. Scibak</i> | <i>2nd Hampshire</i> |
| <i>Elizabeth A. Malia</i> | <i>11th Suffolk</i> |
| <i>Peter V. Kocot</i> | <i>1st Hampshire</i> |
| <i>Natalie Higgins</i> | <i>4th Worcester</i> |
| <i>Jonathan Hecht</i> | <i>29th Middlesex</i> |
| <i>James B. Eldridge</i> | <i>Middlesex and Worcester</i> |
| <i>Michelle M. DuBois</i> | <i>10th Plymouth</i> |

HOUSE No. 522

By Ms. Farley-Bouvier of Pittsfield, a petition (accompanied by bill, House, No. 522) of Tricia Farley-Bouvier and others for legislation to promote value-based health insurance design in the Commonwealth. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act to promote value-based insurance design in the Commonwealth.

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 6A of the General Laws is hereby amended by adding after section
2 16Y the following section:-

3 Section 16Z (a) The secretary of health and human services shall by regulation determine
4 which medical and behavioral health services, treatments and prescription drugs shall be deemed
5 high-value cost-effective services for the purposes of this section. To advise the secretary in
6 making said determinations, there shall be a Value-Based Insurance Expert Panel as established
7 by subsection (c). Any regulation making a determination pursuant to this section, that is
8 promulgated prior to July 1 of any year, shall take effect on January 1 of the following year. In
9 determining medical and behavioral health services, treatments and prescription drugs to be
10 deemed high-value cost-effective services, the secretary may limit the effect of the determination
11 to people with one or more specific diagnoses or risk factors for a disease, condition, or disorder.

12 (b) Insurance plans, health coverage, and medical assistance and medical benefit
13 programs shall not charge cost sharing for high-value cost-effective medical and behavioral
14 health services, for coverage subject to section 17P of chapter 32A, section 10K of chapter 118E,
15 section 47JJ of chapter 175, section 8LL of chapter 176A, section 4JJ of chapter 176B, section
16 4DD of chapter 176G, and section 13 of chapter 176I. For the purposes of this section, cost
17 sharing shall include payments required from a consumer in connection with the provision of a
18 health care service, including, but not limited to, copayments, coinsurance, and deductibles.
19 Reimbursement to providers shall not be reduced on the basis of a service, treatment or drug
20 being determined a high-value cost effective service.

21 (c) The secretary shall establish the Value-Based Insurance Expert Panel to make
22 recommendations regarding high-value cost-effective medical or behavioral health services,
23 treatments or prescription drugs that should not be subject to cost sharing. The panel shall be
24 comprised of up to ten people, eight of whom shall be appointed by the secretary. In making
25 appointments to the panel, the secretary shall include at least one primary care physician, one
26 primary care provider at a community health center, one pediatrician, one licensed mental health
27 clinician, and one community pharmacist, and shall further ensure that the panel represents
28 expertise in health economics, actuarial sciences, health care cost effectiveness, women's health,
29 medical ethics, and consumer advocacy. The panel shall further include representatives of the
30 department of public health, the office of Medicaid, and the division of insurance, appointed by
31 the respective commissioners or directors of said agencies. No member of the panel shall have
32 any significant financial conflict of interest in any decision of the panel.

33 The secretary shall designate one member to serve as chair of the panel. They shall serve
34 a term of 3 years, and may be reappointed, provided that the secretary may designate up to half

35 of the original members appointed to the board to serve for two years. Panel members shall
36 receive no compensation for their services but shall be entitled to reimbursement for reasonable
37 travel and other expenses.

38 The panel shall, with each report, review its previous recommendations and may
39 recommend that a medical or behavioral health service, treatment or prescription drug be no
40 longer deemed a high-value cost-effective service for purposes of this section. The panel shall
41 report its recommendations by majority vote to the secretary no later than March 1 of each year.

42 In making recommendations for high-value cost-effective services, treatments and
43 prescription drugs that should not be subject to cost sharing, the Value-Based Insurance Expert
44 Panel shall consider appropriate medical and behavioral health services, treatments and
45 prescription drugs that are

46 (1) out-patient or ambulatory services, including medications, lab tests, procedures, and
47 office visits, generally offered in the primary care or medical home setting;

48 (2) of clear benefit, strongly supported by clinical evidence to be cost-effective;

49 (3) likely to reduce hospitalizations or emergency department visits, or reduce future
50 exacerbations of illness progression, or improve quality of life;

51 (4) relatively low cost when compared to the cost of an acute illness or incident prevented
52 or delayed by the use of the service, treatment or drug; and

53 (5) at low risk for overutilization, abuse, addiction, diversion or fraud.

54 In making recommendations, the panel may limit a recommended high-value cost-
55 effective service as applicable only to patients with one or more specific diagnoses or risk factors
56 for a disease, condition or disorder.

57 The panel shall consult with health insurance carriers and the group insurance
58 commission before issuing its recommendations. The panel shall further develop an educational
59 plan for both insureds and health care providers on high-value versus low-value services,
60 treatments and prescription drugs pertaining to the recommendations as approved by the
61 secretary.

62 (d) Every two years, the center for health information and analysis shall evaluate the
63 effect of this section. The evaluation shall include the impact of this section on treatment
64 adherence, incidence of related acute events, premiums and cost sharing, overall health, long-
65 term health costs, and other issues that the center may determine. The center may collaborate
66 with an independent research organization to conduct the evaluation.

67 (e) Notwithstanding subsection (b), cost sharing may be charged if the applicable plan is
68 governed by the Federal Internal Revenue Code and would lose its tax-exempt status as a result
69 of the prohibition on co-payments, coinsurance or deductibles for these services.

70 SECTION 2. Chapter 32A of the General Laws is hereby amended by inserting after
71 section 17O the following section:-

72 Section 17P. The commission shall provide to any active or retired employee of the
73 commonwealth who is insured under the group insurance commission, coverage without cost
74 sharing for all medical and behavioral services, treatments and prescription drugs determined to

75 be high-value cost-effective services by the secretary of health and human services pursuant to
76 section 16Z of chapter 6A.

77 SECTION 3. Chapter 118E of the General Laws is hereby amended by inserting after
78 section 10J the following section:-

79 Section 10K. The division shall cover without cost sharing all medical and behavioral
80 health services determined to be high-value cost-effective services by the secretary of health and
81 human services pursuant to section 16Z of chapter 6A.

82 SECTION 4. Chapter 175 of the General Laws is hereby amended by inserting after
83 section 47II the following section:-

84 Section 47JJ. An individual policy of accident and sickness insurance issued under
85 section 108 that provides hospital expense and surgical expense insurance and any group blanket
86 or general policy of accident and sickness insurance issued under section 110 that provides
87 hospital expense and surgical expense insurance, which is issued or renewed within or without
88 the commonwealth, shall cover without cost sharing all medical and behavioral health services
89 determined to be high-value cost-effective services by the secretary of health and human services
90 pursuant to section 16Z of chapter 6A.

91 SECTION 5. Chapter 176A of the General Laws is hereby amended by inserting after
92 section 8KK the following section:-

93 Section 8LL. A contract between a subscriber and the corporation under an individual or
94 group hospital service plan which provides hospital expense and surgical expense insurance,
95 except contracts providing supplemental coverage to Medicare or other governmental programs,

96 delivered, issued or renewed by agreement between the insurer and the policyholder, within or
97 without the commonwealth, shall cover without cost sharing all medical and behavioral health
98 services, treatments and prescription drugs determined to be high-value cost-effective services by
99 the secretary of health and human services pursuant to section 16Z of chapter 6A; provided,
100 however, that co-payments, coinsurance or deductibles shall be required if the applicable plan is
101 governed by the Federal Internal Revenue Code and would lose its tax-exempt status as a result
102 of the prohibition on co-payments, coinsurance or deductibles for these services.

103 SECTION 6. Chapter 176B of the General Laws is hereby amended by inserting after
104 section 4KK the following section:-

105 Section 4JJ. Any subscription certificate under an individual or group medical service
106 agreement, except certificates that provide supplemental coverage to Medicare or other
107 governmental programs, issued, delivered or renewed within or without the commonwealth, shall
108 cover without cost sharing all services, treatments and prescription drugs determined to be high-
109 value cost-effective medical and behavioral health services by secretary of health and human
110 services pursuant to section 16Z of chapter 6A; provided, however, that co-payments,
111 coinsurance or deductibles shall be required if the applicable plan is governed by the Federal
112 Internal Revenue Code and would lose its tax-exempt status as a result of the prohibition on co-
113 payments, coinsurance or deductibles for these services.

114 SECTION 7. Chapter 176G of the General Laws is hereby amended by inserting after
115 section 4CC the following section:-

116 Section 4DD. A health maintenance contract issued or renewed within or without the
117 commonwealth shall cover without cost sharing all services, treatments and prescription drugs

118 determined to be high-value cost-effective medical and behavioral health services by the
119 secretary of health and human services pursuant to section 16Z of chapter 6A; provided,
120 however, that co-payments, coinsurance or deductibles shall be required if the applicable plan is
121 governed by the Federal Internal Revenue Code and would lose its tax-exempt status as a result
122 of the prohibition on co-payments, coinsurance or deductibles for these services.

123 SECTION 8. Chapter 176I of the General Laws is hereby amended by adding the
124 following section:-

125 Section 13. An organization entering into a preferred provider contract shall cover
126 without cost sharing all medical and behavioral health services, treatments and prescription drugs
127 determined to be high-value cost-effective services by the secretary of health and human services
128 pursuant to section 16Z of chapter 6A.