

HOUSE No. 820

The Commonwealth of Massachusetts

PRESENTED BY:

Nick Collins

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 reforming the healthcare expenditure benchmark.

PETITION OF:

NAME:

Nick Collins

DISTRICT/ADDRESS:

4th Suffolk

HOUSE No. 820

By Mr. Collins of Boston, a petition (accompanied by bill, House, No. 820) of Nick Collins relative to healthcare expenditure benchmarks. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act reforming the healthcare expenditure benchmark.

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. Section 18 of Chapter 12C of the general laws is hereby amended by
2 adding the following after the first sentence:-

3 For providers and provider organizations, excessive spending shall be determined based
4 on the increase in the provider or provider organization’s total health care expenditures in excess
5 of: (a) the cost growth benchmark divided by (b) the provider or the provider organization’s
6 relative price.

7 SECTION 2. Chapter 176O of the general laws is hereby amended by adding a new
8 Section 28 as follows:

9 Section 28. (a) Notwithstanding any other general or special law to the contrary, no
10 carrier shall grant a provider or provider organization an annual increase in rates that exceeds the
11 cost growth benchmark established in section 9 of chapter 6D divided by the provider or

12 provider organization's relative price as reported by the center for health information and
13 analysis. The commissioner shall adopt regulations to carry out this section.

14 (b) The division shall by regulation require carriers limit the growth of payments to high
15 cost providers, as determined by the center for health information and analysis pursuant to
16 section 18 of chapter 12C, to rates at or below the rate of increase of the cost growth benchmark
17 divided by that provider's or the provider organization's average relative price for all health care
18 networks.