

SENATE No. 2217

The Commonwealth of Massachusetts

PRESENTED BY:

Sal N. DiDomenico

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 furthering rate equity, access, and affordability in community hospitals.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>1/29/2019</i>
<i>Joseph A. Boncore</i>	<i>First Suffolk and Middlesex</i>	<i>1/30/2019</i>
<i>Donald F. Humason, Jr.</i>	<i>Second Hampden and Hampshire</i>	<i>1/31/2019</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/31/2019</i>
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	<i>2/1/2019</i>
<i>Barry R. Finegold</i>	<i>Second Essex and Middlesex</i>	<i>2/12/2019</i>
<i>Dean A. Tran</i>	<i>Worcester and Middlesex</i>	<i>3/7/2019</i>

SENATE No. 2217

By Mr. DiDomenico, a petition (accompanied by bill, Senate, No. 2217) (subject to Joint Rule 12) of Sal N. DiDomenico, Jason M. Lewis, Joseph A. Boncore, Donald F. Humason, Jr. and other members of the Senate for legislation to further rate equity, access, and affordability in community hospitals. Health Care Financing.

The Commonwealth of Massachusetts

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

An Act furthering rate equity, access, and affordability in community hospitals.

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.