

**SENATE . . . . . No. 662**

---

**The Commonwealth of Massachusetts**

\_\_\_\_\_

PRESENTED BY:

***Michael D. Brady***

\_\_\_\_\_

*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 cap liability related to hospital financial penalties.**

\_\_\_\_\_

PETITION OF:

NAME:

*Michael D. Brady*

DISTRICT/ADDRESS:

*Second Plymouth and Bristol*

**SENATE . . . . . No. 662**

---

By Mr. Brady, a petition (accompanied by bill, Senate, No. 662) of Michael D. Brady for legislation to cap liability related to hospital financial penalties. Health Care Financing.

---

**The Commonwealth of Massachusetts**

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

An Act to cap liability related to hospital financial penalties.

*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: Subsection (b) of Section 13F of Chapter 118E of the general laws, as  
2 appearing in the 2016 official edition, is hereby amended by inserting the following new  
3 paragraph at the end thereof:-

4           In its contracts with acute hospitals, the executive office and any third party under  
5 contract with the executive office to provide medical benefits for medical assistance recipients  
6 under Title XIX, shall limit any financial penalty related to potentially preventable readmissions  
7 to no more than 4.4 percent of a hospital’s total annual inpatient payments covered under said  
8 contract. Furthermore, total penalties across all acute hospitals shall not exceed the penalty  
9 amount assessed in hospital rate year 2018. Notwithstanding the provisions of section 38 of this  
10 chapter, any appeal regarding an overpayment recovery for potentially preventable readmissions  
11 which is not adjudicated by the executive office or its third party contractors within 180 days that  
12 the provider submits a timely claim for an adjudicatory hearing shall be nullified and any

- 13 payment recoveries made by the executive office or a third party contractor shall be repaid to the
- 14 hospital.