

**SENATE . . . . . No. 760**

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**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 to reduce racial and ethnic health disparities through commercial rate equity for safety net hospitals.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	
<i>Barry R. Finegold</i>	<i>Second Essex and Middlesex</i>	<i>2/9/2021</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>2/9/2021</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>2/9/2021</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>2/10/2021</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>3/8/2021</i>
<i>Joseph W. McGonagle, Jr.</i>	<i>28th Middlesex</i>	<i>3/8/2021</i>

**SENATE . . . . . No. 760**

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By Mr. DiDomenico, a petition (accompanied by bill, Senate, No. 760) of Sal N. DiDomenico, Barry R. Finegold, Angelo J. Puppolo, Jr., Patricia A. Duffy and other members of the General Court for legislation to reduce racial and ethnic health disparities through commercial rate equity for safety net hospitals. Health Care Financing.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 2217 OF 2019-2020.]

**The Commonwealth of Massachusetts**

—————  
**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
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An Act to reduce racial and ethnic health disparities through commercial rate equity for safety net 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, as appearing in the 2018 Official  
2 Edition, is hereby amended in section 6 in subsection (c), as so appearing, by adding at the end  
3 thereof the following:-

4 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
5 subject to the disapproval of the commissioner of insurance. To promote health equity and  
6 access through commercial rate equity for high Medicaid safety net acute hospitals that  
7 predominantly serve communities that experience health disparities as a result of race, ethnicity,  
8 socioeconomic status or other status, for all commercial insured health benefit plan rates  
9 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed

10 with the division of insurance are considered presumptively disapproved if the carrier's network  
11 provider reimbursement rates, inclusive of rates and targets within re-based alternative payment  
12 contracts, do not reimburse high Medicaid acute hospitals, defined as acute care hospitals with a  
13 fiscal year 2018 Medicaid payer mix at or above 25 per cent, at or greater than the carrier's  
14 statewide average commercial relative price calculated separately for acute hospital inpatient and  
15 outpatient services in accordance with requirements established by the division of insurance,  
16 based on the most recent relative price analysis by the center for health information and analysis.  
17 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance  
18 that each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's  
19 statewide average commercial relative price individually calculated for inpatient and outpatient  
20 services.

21

22 SECTION 2. Chapter 176A of the General Laws is hereby amended in section 6, as so  
23 appearing, by adding the following after the word "discriminatory":-

24 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
25 subject to the disapproval of the commissioner of insurance. To promote health equity and  
26 access through commercial rate equity for high Medicaid safety net acute hospitals that  
27 predominantly serve communities that experience health disparities as a result of race, ethnicity,  
28 socioeconomic status or other status, for all commercial insured health benefit plan rates  
29 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed  
30 with the division of insurance are considered presumptively disapproved if the carrier's network  
31 provider reimbursement rates, inclusive of rates and targets within alternative payment contracts,

32 do not reimburse high Medicaid acute hospitals at or greater than the carrier's statewide average  
33 commercial relative price calculated separately for acute hospital inpatient and outpatient  
34 services in accordance with requirements established by the division of insurance, based on the  
35 most recent relative price analysis by the center for health information and analysis. Carriers  
36 shall annually certify and provide hospital-specific evidence to the division of insurance that  
37 each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's statewide  
38 average commercial relative price individually calculated for inpatient and outpatient services.

39 SECTION 3. Chapter 176B of the General Laws is hereby amended in section 4, as so  
40 appearing, by inserting the following after the word "discriminatory":-

41 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
42 subject to the disapproval of the commissioner of insurance. To promote health equity and  
43 access through commercial rate equity for high Medicaid safety net acute hospitals that  
44 predominantly serve communities that experience health disparities as a result of race, ethnicity,  
45 socioeconomic status or other status, for all commercial insured health benefit plan rates  
46 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed  
47 with the division of insurance are considered presumptively disapproved if the carrier's network  
48 provider reimbursement rates, inclusive of rates and targets within alternative payment contracts,  
49 do not reimburse high Medicaid acute hospitals at or greater than the carrier's statewide average  
50 commercial relative price calculated separately for acute hospital inpatient and outpatient  
51 services in accordance with requirements established by the division of insurance, based on the  
52 most recent relative price analysis by the center for health information and analysis. Carriers  
53 shall annually certify and provide hospital-specific evidence to the division of insurance that

54 each high Medicaid acute hospital’s rates meet a minimum threshold of the carrier’s statewide  
55 average commercial relative price individually calculated for inpatient and outpatient services.

56 SECTION 4. Chapter 176G of the General Laws is hereby amended in section 16, as so  
57 appearing, by inserting the following after the word “reasonable”:-

58 To promote health equity and access through commercial rate equity for high Medicaid  
59 safety net acute hospitals that predominantly serve communities that experience health  
60 disparities as a result of race, ethnicity, socioeconomic status or other status, for all commercial  
61 insured health benefit plan rates effective for rate years on and after January 1, 2021, the carrier's  
62 health benefit plan rates filed with the division of insurance are considered presumptively  
63 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets  
64 within alternative payment contracts, do not reimburse high Medicaid acute hospitals at or  
65 greater than the carrier’s statewide average commercial relative price calculated separately for  
66 acute hospital inpatient and outpatient services in accordance with requirements established by  
67 the division of insurance, based on the most recent relative price analysis by the center for health  
68 information and analysis. Carriers shall annually certify and provide hospital-specific evidence  
69 to the division of insurance that each high Medicaid acute hospital’s rates meet a minimum  
70 threshold of the carrier’s statewide average commercial relative price individually calculated for  
71 inpatient and outpatient services.

72 SECTION 5. Chapter 175 of the General Laws is hereby amended by adding the  
73 following new section:-

74 Section 229. Approval of Contracts

75           The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
76 subject to the disapproval of the commissioner of insurance. No such contracts shall be  
77 approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the  
78 rates are excessive, inadequate, or unfairly discriminatory.

79           To promote health equity and access through commercial rate equity for high Medicaid  
80 safety net acute hospitals that predominantly serve communities that experience health  
81 disparities as a result of race, ethnicity, socioeconomic status or other status, for all commercial  
82 insured health benefit plan rates effective for rate years on and after January 1, 2021, the carrier's  
83 health benefit plan rates filed with the division of insurance are considered presumptively  
84 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets  
85 within alternative payment contracts, do not reimburse high Medicaid acute hospitals at or  
86 greater than the carrier's statewide average commercial relative price calculated separately for  
87 acute hospital inpatient and outpatient services in accordance with requirements established by  
88 the division of insurance, based on the most recent relative price analysis by the center for health  
89 information and analysis. Carriers shall annually certify and provide hospital-specific evidence  
90 to the division of insurance that each high Medicaid acute hospital's rates meet a minimum  
91 threshold of the carrier's statewide average commercial relative price individually calculated for  
92 inpatient and outpatient services.

93           SECTION 6. The rules or regulations necessary to carry out this act shall be adopted not  
94 later than May 1, 2021 or not later than 90 days after the effective date of this act, whichever is  
95 sooner.

96           SECTION 7. Sections 1, 2, 3, 4, 5 to 6, inclusive, shall take effect immediately upon the  
97 effective date of this act.