HOUSE DOCKET, NO. 2347 FILED ON: 1/17/2013

HOUSE . . . . . No. 925

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

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 passage of the accompanying:

An Act relative to mandated benefits.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	*20th Middlesex*
George N. Peterson, Jr.	*9th Worcester*
Bradford Hill	*4th Essex*
Elizabeth A. Poirier	*14th Bristol*
Viriato Manuel deMacedo	*1st Plymouth*
Donald F. Humason, Jr.	*4th Hampden*
Sheila C. Harrington	*1st Middlesex*
Paul K. Frost	*7th Worcester*
Nicholas A. Boldyga	*3rd Hampden*
Kimberly N. Ferguson	*1st Worcester*
Daniel B. Winslow	*9th Norfolk*
Keiko M. Orrall	*12th Bristol*
Todd M. Smola	*1st Hampden*
Kevin J. Kuros	*8th Worcester*
Matthew A. Beaton	*11th Worcester*

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HOUSE . . . . . No. 925

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 925) of Bradley H. Jones, Jr. and others relative to mandated health insurance coverage for specific health services. Financial Services.

The Commonwealth of Massachusetts

An Act relative to mandated benefits.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 38C of chapter 3 of the General Laws is hereby amended by striking subsection (b) and inserting in place thereof, the following new subsection:-

(b) Joint committees of the general court and the house and senate committees on ways and means shall not report favorably any bill or petition relative to mandated health benefits that shall not have first received a review and evaluation conducted by the center for health information and analysis pursuant to this section. Joint committees of the general court and the house and senate committees on ways and means shall refer all mandated health benefits bills or petitions to an accompanied study order pending a final report by the center for health information and analysis pursuant to this section.

SECTION 2. Subsection (a) of section 38C of chapter 3, as most recently amended by chapter 224 of the acts of 2012, is hereby amended by striking the first paragraph in its entirety and inserting in place thereof the following:

Section 38C. (a) For the purposes of this section, a mandated health benefit proposal is one that mandates health insurance coverage for specific health services, specific diseases or certain providers of health care services or that affects the operations of health insurers in the administration of health insurance coverage as part of a policy or policies of group life and accidental death and dismemberment insurance covering persons in the service of the commonwealth, and group general or blanket insurance providing hospital, surgical, medical, dental, and other health insurance benefits covering persons in the service of the commonwealth, and their dependents organized under chapter 32A , individual or group health insurance policies offered by an insurer licensed or otherwise authorized to transact accident or health insurance organized under chapter 175 , a nonprofit hospital service corporation organized under chapter

26 176A, a nonprofit medical service corporation organized under chapter 176B , a health
27 maintenance organization organized under chapter 176G , or an organization entering into a
28 preferred provider arrangement under chapter 176I , any health plan issued, renewed, or
29 delivered within or without the commonwealth to a natural person who is a resident of the
30 commonwealth, including a certificate issued to an eligible natural person which evidences
31 coverage under a policy or contract issued to a trust or association for said natural person and his
32 dependent, including said person's spouse organized under chapter 176M.
33
34 SECTION 3. Subsection (d)(1) of section 38C of chapter 3 of the General Laws, is hereby
35 amended by striking the paragraph in its entirety and inserting in place thereof the following:
36
37 (1) the financial impact of mandating the benefit, including the extent to which the proposed
38 insurance coverage would increase or decrease the cost of the treatment or service over the next
39 5 years, the extent to which the proposed coverage might increase the appropriate or
40 inappropriate use of the treatment or service over the next 5 years, the extent to which the
41 mandated treatment or service might serve as an alternative for more expensive or less expensive
42 treatment or service, the extent to which the insurance coverage may affect the number and types
43 of providers of the mandated treatment or service over the next 5 years, the effects of mandating
44 the benefit on the cost of health care, particularly the premium, administrative expenses and
45 indirect costs of municipalities, large employers, small employers, employees and nongroup
46 purchasers, the potential benefits and savings to municipalities, large employers, small
47 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost
48 shifting between private and public payors of health care coverage, the cost to health care
49 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed
50 treatment, the impact on the state budget, given the requirement under the federal Patient
51 Protection and Affordable Care Act for the state to defray the cost of benefit mandates passed
52 after December 31, 2011, and the effect on the overall cost of the health care delivery system in
53 the commonwealth.
54
55 SECTION 4. Chapter 12C of the General Laws is hereby amended by inserting the following
56 new section:-
57
58 Section 24. (a) For the purposes of this section, a mandated health benefit is a statutory or
59 regulatory requirement that mandates health insurance coverage for specific health services,
60 specific diseases or certain providers of health care services as part of a policy or policies of
61 group life and accidental death and dismemberment insurance covering persons in the service of
62 the commonwealth, and group general or blanket insurance providing hospital, surgical, medical,
63 dental, and other health insurance benefits covering persons in the service of the commonwealth,
64 and their dependents organized under chapter 32A , individual or group health insurance policies
65 offered by an insurer licensed or otherwise authorized to transact accident or health insurance

66 organized under chapter 175 , a nonprofit hospital service corporation organized under chapter
67 176A , a nonprofit medical service corporation organized under chapter 176B , a health
68 maintenance organization organized under chapter 176G , or an organization entering into a
69 preferred provider arrangement under chapter 176I , any health plan issued, renewed, or
70 delivered within or without the commonwealth to a natural person who is a resident of the
71 commonwealth, including a certificate issued to an eligible natural person which evidences
72 coverage under a policy or contract issued to a trust or association for said natural person and his
73 dependent, including said person's spouse organized under chapter 176M.
74
75 (b) Joint committees of the general court and the house and senate committees on ways and
76 means when reporting favorably on mandated health benefits bills referred to them shall include
77 a review and evaluation conducted by the center for health information and analysis pursuant to
78 this section.
79
80 (c) Upon request of a joint standing committee of the general court having jurisdiction or the
81 committee on ways and means of either branch, the center for health information and analysis
82 shall conduct a review and evaluation of the mandated health benefit proposal, in consultation
83 with other relevant state agencies, and shall report to the committee within 90 days of the
84 request. If the center for health information and analysis fails to report to the appropriate
85 committee within 45 days, said committee may report favorably on the mandated health benefit
86 bill without including a review and evaluation from the division.
87
88 (d) Any state agency or any board created by statute, including but not limited to the Board of
89 the Commonwealth Connector, the Department of Health, the Division of Medical Assistance or
90 the Division of Insurance that proposes to add a mandated health benefit by rule, bulletin or other
91 guidance must request that a review and evaluation of that proposed mandated health benefit be
92 conducted by the center for health information and analysis pursuant to this section. The report
93 on the mandated health benefit by the center for health information and analysis must be
94 received by the agency or board and available to the public at least 30 days prior to any public
95 hearing on the proposal. If the center for health information and analysis fails to report to the
96 agency or board within 45 days of the request, said agency or board may proceed with a public
97 hearing on the mandated health benefit proposal without including a review and evaluation from
98 the center.
99
100 (e) Any party or organization on whose behalf the mandated health benefit was proposed shall
101 provide the center for health information and analysis with any cost or utilization data that they
102 have. All interested parties supporting or opposing the proposal shall provide the center for
103 health information and analysis with any information relevant to the center's review. The center
104 shall enter into interagency agreements as necessary with the division of medical assistance, the
105 group insurance commission, the department of public health, the division of insurance, and

106 other state agencies holding utilization and cost data relevant to the center 's review under this
107 section. Such interagency agreements shall ensure that the data shared under the agreements is
108 used solely in connection with the center 's review under this section, and that the confidentiality
109 of any personal data is protected. The center for health information and analysis may also request
110 data from insurers licensed or otherwise authorized to transact accident or health insurance under
111 chapter 175 , nonprofit hospital service corporations organized under chapter 176A , nonprofit
112 medical service corporations organized under chapter 176B , health maintenance organizations
113 organized under chapter 176G , and their industry organizations to complete its analyses. The
114 center for health information and analysis may contract with an actuary, or economist as
115 necessary to complete its analysis.
116
117 The report shall include, at a minimum and to the extent that information is available, the
118 following: (1) the financial impact of mandating the benefit, including the extent to which the
119 proposed insurance coverage would increase or decrease the cost of the treatment or service over
120 the next 5 years, the extent to which the proposed coverage might increase the appropriate or
121 inappropriate use of the treatment or service over the next 5 years, the extent to which the
122 mandated treatment or service might serve as an alternative for more expensive or less expensive
123 treatment or service, the extent to which the insurance coverage may affect the number and types
124 of providers of the mandated treatment or service over the next 5 years, the effects of mandating
125 the benefit on the cost of health care, particularly the premium, administrative expenses and
126 indirect costs of municipalities, large employers, small employers, employees and nongroup
127 purchasers, the potential benefits and savings to municipalities, large employers, small
128 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost
129 shifting between private and public payors of health care coverage, the cost to health care
130 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed
131 treatment, the impact on the state budget, given the requirement under the federal Patient
132 Protection and Affordable Care Act for the state to defray the cost of benefit mandates passed
133 after December 31, 2011, and the effect on the overall cost of the health care delivery system in
134 the commonwealth; (2) the medical efficacy of mandating the benefit, including the impact of
135 the benefit to the quality of patient care and the health status of the population and the results of
136 any research demonstrating the medical efficacy of the treatment or service compared to
137 alternative treatments or services or not providing the treatment or service; and (3) if the
138 proposal seeks to mandate coverage of an additional class of practitioners, the results of any
139 professionally acceptable research demonstrating the medical results achieved by the additional
140 class of practitioners relative to those already covered and the methods of the appropriate
141 professional organization that assures clinical proficiency.
142
143 SECTION 5. It shall be the policy of the general court to impose a moratorium on all new
144 mandated health benefit legislation until the later of July 31, 2016, or until the rate of increase in
145 the Consumer Price Index (CPI) for medical care services as reported by the United States

Bureau of Labor Statistics remains at zero or below zero for two consecutive years.