SENATE DOCKET, NO. 1746 FILED ON: 1/21/2011

SENATE . . . . . No. 547

The Commonwealth of Massachusetts

PRESENTED BY:

Anthony W. Petruccelli

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 applying mandate review to regulatory agencies.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Anthony W. Petruccelli	
	☐ *[District]*
	☐

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SENATE . . . . . No. 547

By Mr. Petruccelli, a petition (accompanied by bill, Senate, No. 547) of Anthony W. Petruccelli for legislation to apply mandate review to regulatory agencies. Health Care Financing.

The Commonwealth of Massachusetts

An Act applying mandate review to regulatory agencies.

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. Chapter 118G of the General Laws is hereby amended by inserting the following new section:-

Section 40 - Review and evaluation of regulatory changes on health insurance

Section 40 (a) For the purposes of this section, a mandated health benefit is a statutory or regulatory requirement that mandates health insurance coverage for specific health services, specific diseases or certain providers of health care services 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 176A , a nonprofit medical service corporation organized under chapter 176B , a health maintenance organization organized under chapter 176G , or an organization entering into a preferred provider arrangement under chapter 176I , any health plan issued, renewed, or delivered within or without the commonwealth to a natural person who is a resident of the commonwealth, including a certificate issued to an eligible natural person which evidences coverage under a policy or contract issued to a trust or association for said natural person and his dependent, including said person's spouse organized under chapter 176M.

(b) Joint committees of the general court and the house and senate committees on ways and means when reporting favorably on mandated health benefits bills referred to them shall include a review and evaluation conducted by the division of health care finance and policy pursuant to this section.

24 (c) Upon request of a joint standing committee of the general court having jurisdiction or
25 the committee on ways and means of either branch, the division of health care finance and policy
26 shall conduct a review and evaluation of the mandated health benefit proposal, in consultation
27 with other relevant state agencies, and shall report to the committee within 90 days of the
28 request. If the division of health care finance and policy fails to report to the appropriate
29 committee within 45 days, said committee may report favorably on the mandated health benefit
30 bill without including a review and evaluation from the division.

31 (d) Any state agency or any board created by statute, including but not limited to the
32 Board of the Commonwealth Connector, the Department of Health, the Division of Medical
33 Assistance or the Division of Insurance that proposes to add a mandated health benefit by rule,
34 bulletin or other guidance must request that a review and evaluation of that proposed mandated
35 health benefit be conducted by the division of health care finance and policy pursuant to this
36 section. The report on the mandated health benefit by the division of health care finance and
37 policy must be received by the agency or board and available to the public at least 30 days prior
38 to any public hearing on the proposal. If the division of health care finance and policy fails to
39 report to the agency or board within 45 days of the request, said agency or board may proceed
40 with a public hearing on the mandated health benefit proposal without including a review and
41 evaluation from the division.

42 (e) Any party or organization on whose behalf the mandated health benefit was proposed
43 shall provide the division of health care finance and policy with any cost or utilization data that
44 they have. All interested parties supporting or opposing the proposal shall provide the division of
45 health care finance and policy with any information relevant to the division's review. The
46 division shall enter into interagency agreements as necessary with the division of medical
47 assistance, the group insurance commission, the department of public health, the division of
48 insurance, and other state agencies holding utilization and cost data relevant to the division's
49 review under this section. Such interagency agreements shall ensure that the data shared under
50 the agreements is used solely in connection with the division's review under this section, and that
51 the confidentiality of any personal data is protected. The division of health care finance and
52 policy may also request data from insurers licensed or otherwise authorized to transact accident
53 or health insurance under chapter 175 , nonprofit hospital service corporations organized under
54 chapter 176A , nonprofit medical service corporations organized under chapter 176B , health
55 maintenance organizations organized under chapter 176G , and their industry organizations to
56 complete its analyses. The division of health care finance and policy may contract with an
57 actuary, or economist as necessary to complete its analysis.

58 The report shall include, at a minimum and to the extent that information is available, the
59 following: (1) the financial impact of mandating the benefit, including the extent to which the
60 proposed insurance coverage would increase or decrease the cost of the treatment or service over
61 the next 5 years, the extent to which the proposed coverage might increase the appropriate or
62 inappropriate use of the treatment or service over the next 5 years, the extent to which the

63 mandated treatment or service might serve as an alternative for more expensive or less expensive
64 treatment or service, the extent to which the insurance coverage may affect the number and types
65 of providers of the mandated treatment or service over the next 5 years, the effects of mandating
66 the benefit on the cost of health care, particularly the premium, administrative expenses and
67 indirect costs of municipalities, large employers, small employers, employees and nongroup
68 purchasers, the potential benefits and savings to municipalities, large employers, small
69 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost
70 shifting between private and public payors of health care coverage, the cost to health care
71 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed
72 treatment and the effect on the overall cost of the health care delivery system in the
73 commonwealth; (2) the medical efficacy of mandating the benefit, including the impact of the
74 benefit to the quality of patient care and the health status of the population and the results of any
75 research demonstrating the medical efficacy of the treatment or service compared to alternative
76 treatments or services or not providing the treatment or service; and (3) if the proposal seeks to
77 mandate coverage of an additional class of practitioners, the results of any professionally
78 acceptable research demonstrating the medical results achieved by the additional class of
79 practitioners relative to those already covered and the methods of the appropriate professional
80 organization that assures clinical proficiency.