

HOUSE No. 4024

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, April 7, 2014.

The committee on Financial Services to whom were referred the petition (accompanied by bill, Senate, No. 436) of Benjamin B. Downing for legislation relative to collection of health care co-insurance and deductibles and the petition (accompanied by bill, House, No. 841) of Carlo Basile and Robert M. Koczera for legislation to require a carrier to recover all co-insurance and deductible amounts due from patients for covered services, reports recommending that the accompanying bill (House, No. 4024) ought to pass.

For the committee,

MICHAEL A. COSTELLO.

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The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act related to collection of health care co-insurance and deductibles.

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. (a) Notwithstanding any general or special law to the contrary, there shall
2 be a special commission on the recovery of uncollected co-payments, co-insurance and
3 deductibles due from patients for covered services, as required under a carrier’s health benefit
4 plan.

5 (b) The commission shall be within the executive office of health and human services,
6 consisting of the secretary of health and human services, who shall serve as chair, the
7 commissioner of insurance or a designee, the Senate chair of the Joint Committee on Financial
8 Services, the House chair of the Joint Committee on Financial Services, Senate chair of the Joint
9 Committee on Health Care Financing, the House chair of the Joint Committee on Health Care
10 Financing, and 9 members to be appointed by the Governor, 1 of whom shall be a representative
11 of the Massachusetts Association of Health Plans, Inc., 1 of whom shall be a representative of
12 Association Industries of Massachusetts, Inc., 1 of whom shall be a representative of Blue Cross
13 and Blue Shield of Massachusetts, Inc., 1 of whom shall be a representative of the Massachusetts
14 Hospital Association, Inc., 1 of whom shall be a representative of the Massachusetts Medical
15 Society, 1 of whom shall be a representative of the Massachusetts Association of Behavioral
16 Health Systems, 1 of whom shall be a representative of the Home Care Alliance of
17 Massachusetts, 1 of whom shall be a representative of the Association for Behavioral Healthcare,
18 and 1 of whom shall be a representative of the Massachusetts League of Community Health
19 Centers, Inc.

20 The commission shall adopt rules and establish procedures it considers necessary for the
21 conduct of its business. The commission may expend funds as may be appropriated or made
22 available for its purposes. No action of the commission shall be considered official unless
23 approved by a majority vote of the commission.

24 (c) The commission shall conduct an examination and review of: (i) the means and ability
25 of healthcare providers to determine, collect and monitor co-payments, co-insurance and
26 deductibles that are owed from patients who are insured by a carrier as defined under Section 1
27 of Chapter 176O; (ii) the trend in the amount of uncollected co-payments, co-insurance and
28 deductible payments that result in bad debt to healthcare providers, after healthcare providers
29 have made reasonable collection efforts for the amount owed, over the most recent three years;
30 (iii) the resources that healthcare providers utilize to monitor and collect co-payments, co-
31 insurance and deductibles from patients; (iv) the ability of and steps necessary for carriers to
32 develop a process to collect such amounts if the collection were to be shifted from healthcare
33 providers to carriers; and (v) an analysis of the variety of co-payments, co-insurance and
34 deductibles used by carriers.

35 (d) The commission shall make recommendations to reduce or eliminate provider bad
36 debt arising from the establishment of patient co-payments, co-insurance and deductibles by
37 carriers. In developing recommendations, the commission shall consider shifting collection
38 responsibility to carriers; establishing a process for carriers to reimburse providers for the
39 amount of unpaid co-payments, co-insurance and deductibles, as certified annually by providers;
40 requiring carriers to make available to providers access to timely, accurate information about the
41 amount of an individual insured's unmet deductibles and annual out-of-pocket maximums; and
42 limiting the amount of co-pays, deductibles and co-insurance that can be included in health
43 benefit plans.

44 (d) In making its investigation, the commission may consult with healthcare providers,
45 carriers and such other individuals or organizations with expertise in the collection of co-
46 payments, co-insurance and deductibles from patients. The commission shall use data and
47 recommendations gathered in the course of these consultations as a basis for its findings and
48 recommendations.

49 (e) The commission shall hold its first meeting no later than July 1, 2014 and shall file a
50 report of its findings and recommendations, including any proposed legislative or regulatory
51 changes needed to implement said findings and recommendations, with the joint committee on
52 financial services and the clerks of the senate and the house of representatives no later than
53 December 17, 2014.