

**SENATE . . . . . No. 565**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Karen E. Spilka***

*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 address inequities in MassHealth readmission penalties.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

*Karen E. Spilka*

*Second Middlesex and Norfolk*

*Michael R. Knapik*

*Second Hampden and Hampshire*

**SENATE . . . . . No. 565**

By Ms. Spilka, a petition (accompanied by bill, Senate, No. 565) of Karen E. Spilka and Michael R. Knapik for legislation to prevent inequities in MassHealth readmission penalties. Health Care Financing.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act to address inequities in MassHealth readmission 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: Notwithstanding chapter 118E of the General Laws, or any other general or  
2 special law or rule or regulation to the contrary, any financial penalty applied by the Executive  
3 Office of Health and Human Services related to hospital readmissions shall be assessed solely on  
4 the number of actual potentially preventable readmissions that exceed the number of expected  
5 potentially preventable readmissions as determined by the executive office using a statewide  
6 average and adjusting for individual hospital case-mix. Such financial penalty shall not exceed  
7 the product of the number of discharges exceeding the expected number of potentially  
8 preventable readmissions multiplied by no more than 75 percent of the hospital’s Medicaid  
9 reimbursement rate for inpatient services.

10 Provided further, for any hospital where the ratio of the number of actual potentially  
11 preventable readmissions compared to the number of expected potentially preventable  
12 readmissions is less than the ratio the executive office determined in the previous year, such  
13 financial penalty shall not exceed the product of the number of discharges exceeding the  
14 expected number of potentially preventable readmissions multiplied by no more than 37.5  
15 percent of the hospital’s Medicaid reimbursement rate for inpatient services.