

HOUSE No. 4331

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act Relative to an Affordable Health Plan..

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

1 Add a new Section to Chapter 176J:

2 SECTION 1

3 "Statutory Reimbursement rate" means, with respect to payment to a health care provider
4 for services rendered to any person covered under an "Affordable Health Plan", one hundred and
5 ten percent of the Medicare reimbursement rate for those services as if there were rendered to a
6 Medicare beneficiary not taking into consideration any beneficiary cost sharing. For services or
7 supplies for which there is no Medicare reimbursement amount, the amount as determined by the
8 Division of Health Care Finance and Policy to be consistent with Medicare payment polices at a
9 one hundred and ten percent level and approved by the Commissioner of Insurance.

10 (a) As a condition of doing business in the commonwealth, a carrier that offers health
11 benefit plans to eligible small businesses and eligible individuals, as defined by chapter one
12 hundred and seventy-six J, shall offer an "Affordable Health Plan" to all eligible individuals and
13 small businesses, both within the Connector, for such carriers participating in the Connector, and

14 for all such carriers outside the Connector. This "Affordable Health Plan" shall contain benefits
15 that are actuarially equivalent to the lowest level benefit plan available to the general public
16 within the Connector, other than the young adult plan. Payment for all services, other than
17 outpatient pharmacy benefits, for all providers under "Affordable Health Plans" shall be
18 consistent with the requirements as included in paragraph (b).

19 (b) Claims for services shall be adjudicated at the in-network benefit level or, if
20 applicable under the terms of the plan, the out-of-network benefit level based on the participation
21 status of the provider in the carrier's network. Every health care provider licensed in the
22 commonwealth which provides covered services to a person covered under "Affordable Health
23 Plans" must provide such service to any such person, as a condition of their licensure, and must
24 accept payment at the lowest of the statutory reimbursement rate, an amount equal to the
25 actuarial equivalent of the statutory reimbursement rate, or the applicable contract rate with the
26 carrier for the carrier's product offering with the lowest level benefit plan available to the general
27 public within the Connector, other than the young adult plan, and may not balance bill such
28 person for any amount in excess of the amount paid by the carrier pursuant to this section, other
29 than applicable co-payments, co-insurance and deductibles.

30 (c) Providers shall not attempt to recoup such excess amounts by increasing charges to
31 other health benefit plans or other payers. The Division of Health Care Finance and Policy shall
32 monitor provider charges to ensure compliance with this section and report any non-compliance
33 to the Attorney General. The Division of Health Care Finance and Policy shall promulgate
34 regulations enforcing this subsection, which shall include penalties for noncompliance.

35 (d)Existing contracts between providers and carriers shall comply with the requirements
36 of this Section as to the reimbursement rate and providers must provide services to individuals
37 under "Affordable Health Plans" under such existing contracts with carriers. A provider that
38 participates in a carrier's network or any health benefit plan may not refuse to participate in the
39 carrier's network with respect to the "Affordable Health Plan".

40 SECTION 2

41 Section 1 of this act shall be repealed upon such date determined by the Commissioner
42 that a common payment methodology has been implemented across all public and private payers
43 across the commonwealth.