

SENATE No. 2170

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 SECTION 1. "Statutory Reimbursement rate" means, with respect to payment to a health
2 care provider for services rendered to any person covered under an "Affordable Health Plan",
3 one hundred and ten percent of the Medicare reimbursement rate for those services as if there
4 were rendered to a Medicare beneficiary not taking into consideration any beneficiary cost
5 sharing. For services or supplies for which there is no Medicare reimbursement amount, the
6 amount as determined by the Division of Health Care Finance and Policy to be consistent with
7 Medicare payment polices at a one hundred and ten percent level and approved by the
8 Commissioner of Insurance.

9 (a) As a condition of doing business in the commonwealth, a carrier that offers health
10 benefit plans to eligible small businesses and eligible individuals, as defined by chapter one
11 hundred and seventy-six J, shall offer an "Affordable Health Plan" to all eligible individuals and
12 small businesses, both within the Connector, for such carriers participating in the Connector, and
13 for all such carriers outside the Connector. This "Affordable Health Plan" shall contain benefits
14 that are actuarially equivalent to the lowest level benefit plan available to the general public

15 within the Connector, other than the young adult plan. Payment for all services, other than
16 outpatient pharmacy benefits, for all providers under "Affordable Health Plans" shall be
17 consistent with the requirements as included in paragraph (b).

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

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

34 (d) Existing contracts between providers and carriers shall comply with the requirements
35 of this Section as to the reimbursement rate and providers must provide services to individuals
36 under "Affordable Health Plans" under such existing contracts with carriers. A provider that

37 participates in a carrier's network or any health benefit plan may not refuse to participate in the
38 carrier's network with respect to the "Affordable Health Plan".

39 SECTION 2. Section 1 of this act shall be repealed upon such date determined by the
40 Commissioner that a common payment methodology has been implemented across all public and
41 private payers across the commonwealth.