

**HOUSE . . . . . No. 1919**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Michael A. Costello*

*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 relative to an affordable health plan.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michael A. Costello</i>	<i>1st Essex</i>	<i>1/16/2013</i>

**HOUSE . . . . . No. 1919**

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By Mr. Costello of Newburyport, a petition (accompanied by bill, House, No. 1919) of Michael A. Costello relative to affordable health plans. Public Health.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 1470 OF 2011-2012.]

**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Thirteen**  
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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. Chapter 176J of the General Laws, as appearing in the 2008 Official  
2 Edition, is hereby amended by adding the following section:-

3 Section 11. As used in this section, the following words shall have the following  
4 meanings:

5 "Statutory reimbursement rate," with respect to payment to a health care provider for  
6 services rendered to any person covered under an "Affordable Health Plan", 110 percent of the  
7 Medicare reimbursement rate for those services as if they were rendered to a Medicare  
8 beneficiary not taking into consideration any beneficiary cost sharing. For services or supplies  
9 for which there is no Medicare reimbursement amount, the amount as determined by the  
10 commissioner of the division of health care finance and policy is to be consistent with Medicare  
11 payment policies at a 110 percent level and set in consultation with the commissioner of  
12 insurance.

13 (a) As a condition of doing business in the commonwealth, a carrier that offers health  
14 benefit plans to eligible small businesses and eligible individuals, as defined by chapter 176J,  
15 shall offer an "Affordable Health Plan" to all eligible individuals and small businesses, both  
16 within the connector, for such carriers participating in the connector, and for all such carriers  
17 outside the connector. This "Affordable Health Plan" shall contain benefits that are actuarially

18 equivalent to the lowest level benefit plan available to the general public within the connector,  
19 other than the young adult plan. Payment for all services, other than outpatient pharmacy  
20 benefits, for all providers under "Affordable Health Plans" shall be consistent with the  
21 requirements as included in paragraph (b).

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

33 (c) Providers shall not attempt to recoup such excess amounts by increasing charges to  
34 other health benefit plans or other payers. The division of health care finance and policy shall  
35 monitor provider charges to ensure compliance with this section and shall report any non-  
36 compliance to the attorney general. The division of health care finance and policy shall  
37 promulgate regulations enforcing this subsection, which shall include penalties for  
38 noncompliance.

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

44 SECTION 2. Section 11 of Chapter 176J is hereby repealed.

45 SECTION 3. Section 2 of this act shall take effect on January 1, 2013.