

**HOUSE . . . . . No. 925**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Bradley H. Jones, Jr.***

*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 mandated benefits.

PETITION OF:

| NAME:                          | DISTRICT/ADDRESS:     |
|--------------------------------|-----------------------|
| <i>Bradley H. Jones, Jr.</i>   | <i>20th Middlesex</i> |
| <i>George N. Peterson, Jr.</i> | <i>9th Worcester</i>  |
| <i>Bradford Hill</i>           | <i>4th Essex</i>      |
| <i>Elizabeth A. Poirier</i>    | <i>14th Bristol</i>   |
| <i>Viriato Manuel deMacedo</i> | <i>1st Plymouth</i>   |
| <i>Donald Humason</i>          |                       |
| <i>Sheila C. Harrington</i>    | <i>1st Middlesex</i>  |
| <i>Paul K. Frost</i>           | <i>7th Worcester</i>  |
| <i>Nicholas A. Boldyga</i>     | <i>3rd Hampden</i>    |
| <i>Kimberly N. Ferguson</i>    | <i>1st Worcester</i>  |
| <i>Daniel B. Winslow</i>       | <i>9th Norfolk</i>    |
| <i>Keiko M. Orrall</i>         | <i>12th Bristol</i>   |
| <i>Todd M. Smola</i>           | <i>1st Hampden</i>    |
| <i>Kevin J. Kuros</i>          | <i>8th Worcester</i>  |
| <i>Matthew A. Beaton</i>       | <i>11th Worcester</i> |

**HOUSE . . . . . No. 925**

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 925) of Bradley H. Jones, Jr. and others relative to mandated health insurance coverage for specific health services. Financial Services.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act relative to mandated benefits.

*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. Section 38C of chapter 3 of the General Laws is hereby amended by  
2 striking subsection (b) and inserting in place thereof, the following new subsection:-

3 (b) Joint committees of the general court and the house and senate committees on ways  
4 and means shall not report favorably any bill or petition relative to mandated health benefits that  
5 shall not have first received a review and evaluation conducted by the center for health  
6 information and analysis pursuant to this section. Joint committees of the general court and the  
7 house and senate committees on ways and means shall refer all mandated health benefits bills or  
8 petitions to an accompanied study order pending a final report by the center for health  
9 information and analysis pursuant to this section.

10 SECTION 2. Subsection (a) of section 38C of chapter 3, as most recently amended by  
11 chapter 224 of the acts of 2012, is hereby amended by striking the first paragraph in its entirety  
12 and inserting in place thereof the following:

13

14 Section 38C. (a) For the purposes of this section, a mandated health benefit proposal is  
15 one that mandates health insurance coverage for specific health services, specific diseases or  
16 certain providers of health care services or that affects the operations of health insurers in the  
17 administration of health insurance coverage as part of a policy or policies of group life and  
18 accidental death and dismemberment insurance covering persons in the service of the  
19 commonwealth, and group general or blanket insurance providing hospital, surgical, medical,  
20 dental, and other health insurance benefits covering persons in the service of the commonwealth,

21 and their dependents organized under chapter 32A , individual or group health insurance policies  
22 offered by an insurer licensed or otherwise authorized to transact accident or health insurance  
23 organized under chapter 175 , a nonprofit hospital service corporation organized under chapter  
24 176A, a nonprofit medical service corporation organized under chapter 176B , a health  
25 maintenance organization organized under chapter 176G , or an organization entering into a  
26 preferred provider arrangement under chapter 176I , any health plan issued, renewed, or  
27 delivered within or without the commonwealth to a natural person who is a resident of the  
28 commonwealth, including a certificate issued to an eligible natural person which evidences  
29 coverage under a policy or contract issued to a trust or association for said natural person and his  
30 dependent, including said person's spouse organized under chapter 176M.

31

32 SECTION 3. Subsection (d)(1) of section 38C of chapter 3 of the General Laws, is  
33 hereby amended by striking the paragraph in its entirety and inserting in place thereof the  
34 following:

35 (1) the financial impact of mandating the benefit, including the extent to which the  
36 proposed insurance coverage would increase or decrease the cost of the treatment or service over  
37 the next 5 years, the extent to which the proposed coverage might increase the appropriate or  
38 inappropriate use of the treatment or service over the next 5 years, the extent to which the  
39 mandated treatment or service might serve as an alternative for more expensive or less expensive  
40 treatment or service, the extent to which the insurance coverage may affect the number and types  
41 of providers of the mandated treatment or service over the next 5 years, the effects of mandating  
42 the benefit on the cost of health care, particularly the premium, administrative expenses and  
43 indirect costs of municipalities, large employers, small employers, employees and nongroup  
44 purchasers, the potential benefits and savings to municipalities, large employers, small  
45 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost  
46 shifting between private and public payors of health care coverage, the cost to health care  
47 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed  
48 treatment, the impact on the state budget, given the requirement under the federal Patient  
49 Protection and Affordable Care Act for the state to defray the cost of benefit mandates passed  
50 after December 31, 2011, and the effect on the overall cost of the health care delivery system in  
51 the commonwealth.

52 SECTION 4. Chapter 12C of the General Laws is hereby amended by inserting the  
53 following new section:-

54 Section 24. (a) For the purposes of this section, a mandated health benefit is a statutory or  
55 regulatory requirement that mandates health insurance coverage for specific health services,  
56 specific diseases or certain providers of health care services as part of a policy or policies of  
57 group life and accidental death and dismemberment insurance covering persons in the service of

58 the commonwealth, and group general or blanket insurance providing hospital, surgical, medical,  
59 dental, and other health insurance benefits covering persons in the service of the commonwealth,  
60 and their dependents organized under chapter 32A , individual or group health insurance policies  
61 offered by an insurer licensed or otherwise authorized to transact accident or health insurance  
62 organized under chapter 175 , a nonprofit hospital service corporation organized under chapter  
63 176A , a nonprofit medical service corporation organized under chapter 176B , a health  
64 maintenance organization organized under chapter 176G , or an organization entering into a  
65 preferred provider arrangement under chapter 176I , any health plan issued, renewed, or  
66 delivered within or without the commonwealth to a natural person who is a resident of the  
67 commonwealth, including a certificate issued to an eligible natural person which evidences  
68 coverage under a policy or contract issued to a trust or association for said natural person and his  
69 dependent, including said person's spouse organized under chapter 176M.

70 (b) Joint committees of the general court and the house and senate committees on ways  
71 and means when reporting favorably on mandated health benefits bills referred to them shall  
72 include a review and evaluation conducted by the center for health information and analysis  
73 pursuant to this section.

74 (c) Upon request of a joint standing committee of the general court having jurisdiction or  
75 the committee on ways and means of either branch, the center for health information and analysis  
76 shall conduct a review and evaluation of the mandated health benefit proposal, in consultation  
77 with other relevant state agencies, and shall report to the committee within 90 days of the  
78 request. If the center for health information and analysis fails to report to the appropriate  
79 committee within 45 days, said committee may report favorably on the mandated health benefit  
80 bill without including a review and evaluation from the division.

81 (d) Any state agency or any board created by statute, including but not limited to the  
82 Board of the Commonwealth Connector, the Department of Health, the Division of Medical  
83 Assistance or the Division of Insurance that proposes to add a mandated health benefit by rule,  
84 bulletin or other guidance must request that a review and evaluation of that proposed mandated  
85 health benefit be conducted by the center for health information and analysis pursuant to this  
86 section. The report on the mandated health benefit by the center for health information and  
87 analysis must be received by the agency or board and available to the public at least 30 days  
88 prior to any public hearing on the proposal. If the center for health information and analysis fails  
89 to report to the agency or board within 45 days of the request, said agency or board may proceed  
90 with a public hearing on the mandated health benefit proposal without including a review and  
91 evaluation from the center.

92 (e) Any party or organization on whose behalf the mandated health benefit was proposed  
93 shall provide the center for health information and analysis with any cost or utilization data that  
94 they have. All interested parties supporting or opposing the proposal shall provide the center for  
95 health information and analysis with any information relevant to the center's review. The center

96 shall enter into interagency agreements as necessary with the division of medical assistance, the  
97 group insurance commission, the department of public health, the division of insurance, and  
98 other state agencies holding utilization and cost data relevant to the center 's review under this  
99 section. Such interagency agreements shall ensure that the data shared under the agreements is  
100 used solely in connection with the center 's review under this section, and that the confidentiality  
101 of any personal data is protected. The center for health information and analysis may also request  
102 data from insurers licensed or otherwise authorized to transact accident or health insurance under  
103 chapter 175 , nonprofit hospital service corporations organized under chapter 176A , nonprofit  
104 medical service corporations organized under chapter 176B , health maintenance organizations  
105 organized under chapter 176G , and their industry organizations to complete its analyses. The  
106 center for health information and analysis may contract with an actuary, or economist as  
107 necessary to complete its analysis.

108           The report shall include, at a minimum and to the extent that information is available, the  
109 following: (1) the financial impact of mandating the benefit, including the extent to which the  
110 proposed insurance coverage would increase or decrease the cost of the treatment or service over  
111 the next 5 years, the extent to which the proposed coverage might increase the appropriate or  
112 inappropriate use of the treatment or service over the next 5 years, the extent to which the  
113 mandated treatment or service might serve as an alternative for more expensive or less expensive  
114 treatment or service, the extent to which the insurance coverage may affect the number and types  
115 of providers of the mandated treatment or service over the next 5 years, the effects of mandating  
116 the benefit on the cost of health care, particularly the premium, administrative expenses and  
117 indirect costs of municipalities, large employers, small employers, employees and nongroup  
118 purchasers, the potential benefits and savings to municipalities, large employers, small  
119 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost  
120 shifting between private and public payors of health care coverage, the cost to health care  
121 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed  
122 treatment, the impact on the state budget, given the requirement under the federal Patient  
123 Protection and Affordable Care Act for the state to defray the cost of benefit mandates passed  
124 after December 31, 2011, and the effect on the overall cost of the health care delivery system in  
125 the commonwealth; (2) the medical efficacy of mandating the benefit, including the impact of  
126 the benefit to the quality of patient care and the health status of the population and the results of  
127 any research demonstrating the medical efficacy of the treatment or service compared to  
128 alternative treatments or services or not providing the treatment or service; and (3) if the  
129 proposal seeks to mandate coverage of an additional class of practitioners, the results of any  
130 professionally acceptable research demonstrating the medical results achieved by the additional  
131 class of practitioners relative to those already covered and the methods of the appropriate  
132 professional organization that assures clinical proficiency.

133           SECTION 5. It shall be the policy of the general court to impose a moratorium on all new  
134 mandated health benefit legislation until the later of July 31, 2016, or until the rate of increase in

135 the Consumer Price Index (CPI) for medical care services as reported by the United States  
136 Bureau of Labor Statistics remains at zero or below zero for two consecutive years.