

**HOUSE . . . . . No. 2893**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*James J. O'Day*

*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 nursing facility care.

PETITION OF:

| NAME:                    | DISTRICT/ADDRESS:              | DATE ADDED:      |
|--------------------------|--------------------------------|------------------|
| <i>James J. O'Day</i>    | <i>14th Worcester</i>          | <i>1/20/2017</i> |
| <i>Daniel M. Donahue</i> | <i>16th Worcester</i>          | <i>1/31/2017</i> |
| <i>James B. Eldridge</i> | <i>Middlesex and Worcester</i> | <i>1/26/2017</i> |

**HOUSE . . . . . No. 2893**

By Mr. O'Day of West Boylston, a petition (accompanied by bill, House, No. 2893) of James J. O'Day, Daniel M. Donahue and James B. Eldridge for legislation to authorize the reimbursement of nursing homes for care and services provided to accountable care organization patients. Elder Affairs.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninetieth General Court  
(2017-2018)**

An Act relative to nursing facility care.

*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 6D of the General Laws as established by section 15 of  
2 Chapter 224 of the Acts of 2012 is hereby amended by adding the following section: In  
3 contracting with a nursing home licensed under chapter 111, section 71 of the General Laws, an  
4 Health Policy commission certified Accountable Care Organization established under this  
5 chapter shall reimburse the nursing home for care and services provided to an Accountable Care  
6 Organization patient as defined in this chapter at a rate of payment that is no less than the  
7 Medicare rate of payment that would have applied if the nursing home had been reimbursed for  
8 care and services rendered to the Accountable Care Organization patient under the Medicare  
9 program.

10           Chapter 118E of the Massachusetts General Laws, as appearing in the 2014 official  
11 edition, is hereby amended by inserting the following new section after Section 77:

12           Section 2           In contracting with a nursing home licensed under chapter 111, section  
13 71 of the General Laws, any Managed Care Organization (MCO) or Accountable Care  
14 Organization (ACO) with which the MassHealth agency contracts to provide and coordinate care  
15 and certain other medical services to members on a capitated basis shall reimburse the nursing  
16 home for care and services provided to a MassHealth member based on the facility's actual base  
17 year costs adjusted by an inflation factor to recognize changes in the prices of inputs, including  
18 staff wages, for providing nursing facility care. Actual base year costs shall be set using facility  
19 specific costs reported to the center for health information and analysis. The MCO and/or ACO  
20 shall inflate base year costs to the current rate year through an adjustment equal to the  
21 cumulative Medicare Skilled Nursing Facility (SNF) market basket update as defined under  
22 Section 1888 (e)(B) of the federal Social Security Act. For the purposes of this section, MCO  
23 and/or ACO is defined as any entity with which the MassHealth agency contracts to provide and  
24 coordinate care and certain other medical services to members on a capitated basis, including a  
25 senior care organization (SCO), an integrated care organization (ICO), or an entity that is  
26 approved by the Massachusetts Division of Insurance as a health maintenance organization  
27 (HMO), or that otherwise meets the State Plan definition of an HMO.