

HOUSE No. 1179

The Commonwealth of Massachusetts

PRESENTED BY:

Paul W. Mark

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 hospital billing and licensure.

PETITION OF:

NAME:

Paul W. Mark

DISTRICT/ADDRESS:

2nd Berkshire

HOUSE No. 1179

By Mr. Mark of Peru, a petition (accompanied by bill, House, No. 1179) of Paul W. Mark relative to hospital billing and licensure. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to hospital billing and licensure.

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 111 of the General Laws is hereby amended by inserting the
2 following new section:

3

4 Section XX Hospital Billing and Licensure.

5 As used in this section the following terms shall have the following meanings:

6

7 “Health Care Entity “- shall be defined as an acute care hospital as defined in section 25
8 of chapter 111 of the Massachusetts General Law and physician practice.

9

10 “Facility of Primary Licensure” means the single physical structure and location where
11 the majority of the hospital’s licensed beds or where most of the physician practices are located.

12

13 (a) Every health care entity that provides any services at a location other than its “Facility
14 of Primary Licensure” is prohibited from operating a Secondary Facility pursuant to the original
15 license of the Facility of Primary Licensure and is hereby required to obtain from the Department
16 a new license for that location if the facility constitutes a Secondary Facility. A facility
17 constitutes a Secondary Facility if:

18

19 The facility is physically located a distance greater than 500 yards, or

20 The facility requires or maintains separate heating, cooling, electric, sewer systems from
21 the Facility of Primary Licensure.

22

23 (b) The licensed Secondary Facility shall obtain from the federal Centers for Medicare
24 and Medicaid Services a separate National Provider Identification Number.

25

26 (c) Every health care facility, ambulatory surgical center, or outpatient facility shall bill
27 all public and private payors for services using the National Provider Identification Number
28 assigned to the specific facility and physical locations where the services were provided.

29

30 (d) No public or private payor shall be required to pay a claim billed by a health care
31 facility, ambulatory surgical center, or outpatient facility not billed in accordance with this
32 section.

33

34 (e) Subject to any agreement between the parties, a Secondary facility shall bill a carrier
35 for services at a rate negotiated by the parties separately from the rates for the Facility of Primary
36 Licensure or in the absence of an agreement, 110% of Medicare.

37

38 (f) Notwithstanding the provisions of this chapter the Department shall not grant a license
39 to any Secondary Facility unless there is a determination by the department that there is a need
40 for such a facility pursuant to Section 25C. Secondary Facilities in operation as of the effective
41 date of this section shall be exempt from the Department's determination of need requirements.

42

43 (g) The Department along with the Office of the Attorney General shall have the
44 authority to enforce the requirements of this section.

45 Summary: Requires each facility and physician practice in a system to have separate
46 license, tax identification number (TIN) and national provider identification (NPI) number for
47 providers providing treatment at a facility. Requires facilities that provide services at a new
48 facility to obtain a new license for that facility and require new NPIs for providers delivering
49 care at the facility. Requires the new facility to negotiate separate rates from the parent facility.
50 For hospitals that acquire a competing facility and reopen it using their outpatient license, the

51 new facility shall be required to maintain the TIN for providers delivering service at that
52 location.