

SENATE No. 718

The Commonwealth of Massachusetts

PRESENTED BY:

Michael F. Rush

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 to improve health care cost accountability.

PETITION OF:

NAME:

Michael F. Rush

Michael J. Rodrigues

DISTRICT/ADDRESS:

Norfolk and Suffolk

First Bristol and Plymouth

SENATE No. 718

By Mr. Rush, a petition (accompanied by bill, Senate, No. 718) of Michael F. Rush and Michael J. Rodrigues for legislation to improve health care cost accountability. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 659 OF 2017-2018.]

The Commonwealth of Massachusetts

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

An Act to improve health care cost accountability.

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 1 of Chapter 224 6D of the Acts of 2012 is amended by adding the
2 following

3 “Weighted Average Payer Rate” or “WAPR”, a measure by which a sum of the inpatient
4 revenue per discharge and outpatient revenue per visit is separately calculated for Commercial,
5 Medicare, and Medicaid. A weighted average of the three resulting values is derived, with the
6 Net Patient Service Revenue - based payer mix of the three payers serving as weights.

7 SECTION 2. Section 8(a) of Chapter 224 6D of the Acts of 2012 is amended by striking
8 out Section 8(a) and adding the following

9 (a) Not later than October 1 of every year, the commission shall hold public hearings
10 based on the report submitted by the center for health information and analysis under section 16

11 of chapter 12C comparing the growth in total health care expenditures to the health care growth
12 benchmark for the previous calendar year. The hearings shall examine health care provider,
13 provider organization, and private and public health care payer costs, prices, weighted average
14 payer rates, and cost trends, with particular attention to factors that contribute to cost growth
15 within the commonwealth's health care system.

16 SECTION 3. Section 8(e) of Chapter 224 6D of the Acts of 2012 is amended by striking
17 out Section 8(e)(i) and adding the following

18 (i) in the case of providers and provider organizations, testimony concerning payment
19 systems, care delivery models, payer mix, cost structures, administrative and labor costs, capital
20 and technology cost, adequacy of public payer reimbursement levels, reserve levels, utilization
21 trends, relative price, weighted average payer rate, quality improvement and care-coordination
22 strategies, investments in health information technology, the relation of private payer
23 reimbursement levels to public payer reimbursements for similar services, efforts to improve the
24 efficiency of the delivery system, efforts to reduce the inappropriate or duplicative use of
25 technology and the impact of price transparency on prices

26 SECTION 4. Section 13(d) of Chapter 224 6D of the Acts of 2012 is amended by striking
27 out Section 10(d)(v) and adding the following

28 (v) provider cost and cost trends including the weighted average payer rate in comparison
29 to total health care expenditures statewide

30 SECTION 5. Section 13(d) of Chapter 224 6D of the Acts of 2012 is amended by striking
31 out Section 13(d)(xii) and adding the following

32 (xii) the weighted average payer rate paid to each acute hospital and physician
33 organization; (xiii) any other factors that the commission determines to be in the public interest.

34 SECTION 6. Section 1 of Chapter 224 12C of the Acts of 2012 is amended by inserting
35 the following

36 “Weighted Average Payer Rate” or “WAPR”, a measure by which a sum of the inpatient
37 revenue per discharge and outpatient revenue per visit is separately calculated for Commercial,
38 Medicare, and Medicaid. A weighted average of the three resulting values is derived, with the
39 Net Patient Service Revenue- based payer mix of the three payers serving as weights.

40 SECTION 7. Section 10(b) of Chapter 224 12C of the Acts of 2012 is amended by
41 inserting following section

42 (12) the weighted average payer rate paid to each acute care hospital and physician
43 organization

44 SECTION 8. Section 16(a) of Chapter 224 12C of the Acts of 2012 is amended by adding
45 the following after the words “patient centered medical homes.”

46 (6) the weighted average payer rate paid to each acute care hospital, and physician
47 organization, respectively