

**HOUSE . . . . . No. 1299**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Frank A. Moran and David M. Rogers*

*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 reduce racial and ethnic health disparities through commercial rate equity for safety net hospitals.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>2/5/2021</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>2/25/2021</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>2/16/2021</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>2/16/2021</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>2/16/2021</i>
<i>Orlando Ramos</i>	<i>9th Hampden</i>	<i>2/17/2021</i>
<i>Christina A. Minicucci</i>	<i>14th Essex</i>	<i>2/24/2021</i>
<i>Joseph F. Wagner</i>	<i>8th Hampden</i>	<i>2/24/2021</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>2/26/2021</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>2/26/2021</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>3/17/2021</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>	<i>7/16/2021</i>

**HOUSE . . . . . No. 1299**

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By Messrs. Moran of Lawrence and Rogers of Cambridge, a petition (accompanied by bill, House, No. 1299) of Frank A. Moran, David M. Rogers and others for legislation to reduce racial and ethnic health disparities through commercial rate equity for safety net hospitals. Health Care Financing.

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The Commonwealth of Massachusetts

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In the One Hundred and Ninety-Second General Court  
(2021-2022)  
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An Act to reduce racial and ethnic health disparities through commercial rate equity for safety net hospitals.

*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 is hereby amended in section 6 in  
2 subsection (c), as so appearing, by adding at the end thereof the following:-

3 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
4 subject to the disapproval of the commissioner of insurance. To promote health equity and  
5 access through commercial rate equity for high Medicaid safety net acute hospitals that  
6 predominantly serve communities that experience health disparities as a result of race, ethnicity,  
7 socioeconomic status or other status, for all commercial insured health benefit plan rates  
8 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed  
9 with the division of insurance are considered presumptively disapproved if the carrier's network  
10 provider reimbursement rates, inclusive of rates and targets within re-based alternative payment  
11 contracts, do not reimburse high Medicaid acute hospitals, defined as acute care hospitals with a

12 fiscal year 2018 Medicaid payer mix at or above 25 per cent, at or greater than the carrier's  
13 statewide average commercial relative price calculated separately for acute hospital inpatient and  
14 outpatient services in accordance with requirements established by the division of insurance,  
15 based on the most recent relative price analysis by the center for health information and analysis.  
16 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance  
17 that each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's  
18 statewide average commercial relative price individually calculated for inpatient and outpatient  
19 services.

20

21 SECTION 2. Chapter 176A of the General Laws is hereby amended in section 6, as so  
22 appearing, by adding the following after the word "discriminatory":-

23 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
24 subject to the disapproval of the commissioner of insurance. To promote health equity and  
25 access through commercial rate equity for high Medicaid safety net acute hospitals that  
26 predominantly serve communities that experience health disparities as a result of race, ethnicity,  
27 socioeconomic status or other status, for all commercial insured health benefit plan rates  
28 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed  
29 with the division of insurance are considered presumptively disapproved if the carrier's network  
30 provider reimbursement rates, inclusive of rates and targets within alternative payment contracts,  
31 do not reimburse high Medicaid acute hospitals at or greater than the carrier's statewide average  
32 commercial relative price calculated separately for acute hospital inpatient and outpatient  
33 services in accordance with requirements established by the division of insurance, based on the

34 most recent relative price analysis by the center for health information and analysis. Carriers  
35 shall annually certify and provide hospital-specific evidence to the division of insurance that  
36 each high Medicaid acute hospital’s rates meet a minimum threshold of the carrier’s statewide  
37 average commercial relative price individually calculated for inpatient and outpatient services.

38 SECTION 3. Chapter 176B of the General Laws is hereby amended in section 4, as so  
39 appearing, by inserting the following after the word “discriminatory”:-

40 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
41 subject to the disapproval of the commissioner of insurance. To promote health equity and  
42 access through commercial rate equity for high Medicaid safety net acute hospitals that  
43 predominantly serve communities that experience health disparities as a result of race, ethnicity,  
44 socioeconomic status or other status, for all commercial insured health benefit plan rates  
45 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed  
46 with the division of insurance are considered presumptively disapproved if the carrier's network  
47 provider reimbursement rates, inclusive of rates and targets within alternative payment contracts,  
48 do not reimburse high Medicaid acute hospitals at or greater than the carrier’s statewide average  
49 commercial relative price calculated separately for acute hospital inpatient and outpatient  
50 services in accordance with requirements established by the division of insurance, based on the  
51 most recent relative price analysis by the center for health information and analysis. Carriers  
52 shall annually certify and provide hospital-specific evidence to the division of insurance that  
53 each high Medicaid acute hospital’s rates meet a minimum threshold of the carrier’s statewide  
54 average commercial relative price individually calculated for inpatient and outpatient services.

55 SECTION 4. Chapter 176G of the General Laws is hereby amended in section 16, as so  
56 appearing, by inserting the following after the word “reasonable”:-

57 To promote health equity and access through commercial rate equity for high Medicaid  
58 safety net acute hospitals that predominantly serve communities that experience health  
59 disparities as a result of race, ethnicity, socioeconomic status or other status, for all commercial  
60 insured health benefit plan rates effective for rate years on and after January 1, 2021, the carrier's  
61 health benefit plan rates filed with the division of insurance are considered presumptively  
62 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets  
63 within alternative payment contracts, do not reimburse high Medicaid acute hospitals at or  
64 greater than the carrier’s statewide average commercial relative price calculated separately for  
65 acute hospital inpatient and outpatient services in accordance with requirements established by  
66 the division of insurance, based on the most recent relative price analysis by the center for health  
67 information and analysis. Carriers shall annually certify and provide hospital-specific evidence  
68 to the division of insurance that each high Medicaid acute hospital’s rates meet a minimum  
69 threshold of the carrier’s statewide average commercial relative price individually calculated for  
70 inpatient and outpatient services.

71 SECTION 5. Chapter 175 of the General Laws is hereby amended by adding the  
72 following new section:-

73 Section 229. Approval of Contracts

74 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be  
75 subject to the disapproval of the commissioner of insurance. No such contracts shall be

76 approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the  
77 rates are excessive, inadequate, or unfairly discriminatory.

78 To promote health equity and access through commercial rate equity for high Medicaid  
79 safety net acute hospitals that predominantly serve communities that experience health  
80 disparities as a result of race, ethnicity, socioeconomic status or other status, for all commercial  
81 insured health benefit plan rates effective for rate years on and after January 1, 2021, the carrier's  
82 health benefit plan rates filed with the division of insurance are considered presumptively  
83 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets  
84 within alternative payment contracts, do not reimburse high Medicaid acute hospitals at or  
85 greater than the carrier's statewide average commercial relative price calculated separately for  
86 acute hospital inpatient and outpatient services in accordance with requirements established by  
87 the division of insurance, based on the most recent relative price analysis by the center for health  
88 information and analysis. Carriers shall annually certify and provide hospital-specific evidence  
89 to the division of insurance that each high Medicaid acute hospital's rates meet a minimum  
90 threshold of the carrier's statewide average commercial relative price individually calculated for  
91 inpatient and outpatient services.

92 SECTION 6. The rules or regulations necessary to carry out this act shall be adopted not  
93 later than May 1, 2021 or not later than 90 days after the effective date of this act, whichever is  
94 sooner.

95 SECTION 7. Sections 1, 2, 3, 4, 5 to 6, inclusive, shall take effect immediately upon the  
96 effective date of this act.