HOUSE DOCKET, NO. 1436 FILED ON: 2/5/2021

HOUSE . . . . . No. 1299

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

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HOUSE . . . . . No. 1299

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.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

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:

SECTION 1. Chapter 176J of the General Laws is hereby amended in section 6 in subsection (c), as so appearing, by adding at the end thereof the following:-

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

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

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

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

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

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

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

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

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

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

Section 229. Approval of Contracts

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

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

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

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

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