SENATE DOCKET, NO. 261   FILED ON: 1/26/2021

SENATE . . . . No. 760

The Commonwealth of Massachusetts

PRESENTED BY:

Sal N. DiDomenico

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:	
Sal N. DiDomenico	*Middlesex and Suffolk*	
Barry R. Finegold	*Second Essex and Middlesex*	*2/9/2021*
Angelo J. Puppolo, Jr.	*12th Hampden*	*2/9/2021*
Patricia A. Duffy	*5th Hampden*	*2/9/2021*
Brian M. Ashe	*2nd Hampden*	*2/10/2021*
James B. Eldridge	*Middlesex and Worcester*	*3/8/2021*
Joseph W. McGonagle, Jr.	*28th Middlesex*	*3/8/2021*
John F. Keenan	*Norfolk and Plymouth*	*9/14/2021*

SENATE DOCKET, NO. 261 FILED ON: 1/26/2021

SENATE . . . . No. 760

By Mr. DiDomenico, a petition (accompanied by bill, Senate, No. 760) of Sal N. DiDomenico, Barry R. Finegold, Angelo J. Puppolo, Jr., Patricia A. Duffy and other members of the General Court for legislation to reduce racial and ethnic health disparities through commercial rate equity for safety net hospitals. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *2217* OF 2019-2020.]

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:

1 SECTION 1. Chapter 176J of the General Laws, as appearing in the 2018 Official
2 Edition, is hereby amended in section 6 in subsection (c), as so appearing, by adding at the end
3 thereof the following:-

4 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
5 subject to the disapproval of the commissioner of insurance. To promote health equity and
6 access through commercial rate equity for high Medicaid safety net acute hospitals that
7 predominantly serve communities that experience health disparities as a result of race, ethnicity,
8 socioeconomic status or other status, for all commercial insured health benefit plan rates
9 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed

10 with the division of insurance are considered presumptively disapproved if the carrier's network
11 provider reimbursement rates, inclusive of rates and targets within re-based alternative payment
12 contracts, do not reimburse high Medicaid acute hospitals, defined as acute care hospitals with a
13 fiscal year 2018 Medicaid payer mix at or above 25 per cent, at or greater than the carrier's
14 statewide average commercial relative price calculated separately for acute hospital inpatient and
15 outpatient services in accordance with requirements established by the division of insurance,
16 based on the most recent relative price analysis by the center for health information and analysis.
17 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance
18 that each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's
19 statewide average commercial relative price individually calculated for inpatient and outpatient
20 services.

21

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

24 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
25 subject to the disapproval of the commissioner of insurance. To promote health equity and
26 access through commercial rate equity for high Medicaid safety net acute hospitals that
27 predominantly serve communities that experience health disparities as a result of race, ethnicity,
28 socioeconomic status or other status, for all commercial insured health benefit plan rates
29 effective for rate years on and after January 1, 2021, the carrier's health benefit plan rates filed
30 with the division of insurance are considered presumptively disapproved if the carrier's network
31 provider reimbursement rates, inclusive of rates and targets within alternative payment contracts,

32 do not reimburse high Medicaid acute hospitals at or greater than the carrier's statewide average
33 commercial relative price calculated separately for acute hospital inpatient and outpatient
34 services in accordance with requirements established by the division of insurance, based on the
35 most recent relative price analysis by the center for health information and analysis. Carriers
36 shall annually certify and provide hospital-specific evidence to the division of insurance that
37 each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's statewide
38 average commercial relative price individually calculated for inpatient and outpatient services.

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

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

54 each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's statewide
55 average commercial relative price individually calculated for inpatient and outpatient services.

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

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

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

74 Section 229. Approval of Contracts

75 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
76 subject to the disapproval of the commissioner of insurance. No such contracts shall be
77 approved if the benefits provided therein are unreasonable in relation to the rate charged, or if the
78 rates are excessive, inadequate, or unfairly discriminatory.

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

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

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