HOUSE DOCKET, NO. 808 FILED ON: 1/17/2023

HOUSE . . . . . No. 1227

The Commonwealth of Massachusetts

PRESENTED BY:

Frank A. Moran

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*	*1/17/2023*
Sal N. DiDomenico	*Middlesex and Suffolk*	*1/25/2023*
Estela A. Reyes	*4th Essex*	*2/8/2023*
Samantha Montaño	*15th Suffolk*	*2/24/2023*
James C. Arena-DeRosa	*8th Middlesex*	*2/24/2023*
Christine P. Barber	*34th Middlesex*	*2/24/2023*
Rodney M. Elliott	*16th Middlesex*	*2/27/2023*
Tram T. Nguyen	*18th Essex*	*2/27/2023*
Patricia A. Duffy	*5th Hampden*	*2/28/2023*
Manny Cruz	*7th Essex*	*3/1/2023*
Rebecca L. Rausch	*Norfolk, Worcester and Middlesex*	*3/7/2023*
Adrianne Pusateri Ramos	*14th Essex*	*4/3/2023*
Russell E. Holmes	*6th Suffolk*	*6/8/2023*
Pavel Payano	*First Essex*	*8/30/2023*
Steven Ultrino	*33rd Middlesex*	*10/11/2023*
Jason M. Lewis	*Fifth Middlesex*	*10/30/2023*
Steven Owens	*29th Middlesex*	*10/31/2023*

Joseph W. McGonagle, Jr.	*28th Middlesex*	*11/6/2023*
Judith A. Garcia	*11th Suffolk*	*11/30/2023*

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HOUSE . . . . . No. 1227

By Representative Moran of Lawrence, a petition (accompanied by bill, House, No. 1227) of Frank A. Moran and others for legislation to promote health equity for certain acute care hospitals that predominantly serve communities that experience health disparities as a result of race, ethnicity, socioeconomic status. Health Care Financing.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

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, 2023, 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

12 fiscal year 2020 Medicaid payer mix at or above 25 per cent calculated using data published by
13 the center for health information and analysis in April 2022 in its databook titled Massachusetts
14 Hospital Profiles, at or greater than the carrier's statewide average commercial relative price
15 calculated separately for acute hospital inpatient and outpatient services in accordance with
16 requirements established by the division of insurance, based on the most recent relative price
17 analysis by the center for health information and analysis. Carriers shall annually certify and
18 provide hospital-specific evidence to the division of insurance that each high Medicaid acute
19 hospital's rates meet a minimum threshold of the carrier's statewide average commercial relative
20 price individually calculated for inpatient and outpatient services.

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

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, 2023, 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, defined as acute care hospitals with a fiscal year
33 2020 Medicaid payer mix at or above 25 per cent calculated using data published by the center

34 for health information and analysis in April 2022 in its databook titled Massachusetts Hospital
35 Profiles, at or greater than the carrier's statewide average commercial relative price calculated
36 separately for acute hospital inpatient and outpatient services in accordance with requirements
37 established by the division of insurance, based on the most recent relative price analysis by the
38 center for health information and analysis. Carriers shall annually certify and provide hospital-
39 specific evidence to the division of insurance that each high Medicaid acute hospital's rates meet
40 a minimum threshold of the carrier's statewide average commercial relative price individually
41 calculated for inpatient and outpatient services.

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

44

45 The subscriber contracts, rates and evidence of coverage for health benefit plans shall be
46 subject to the disapproval of the commissioner of insurance. To promote health equity and
47 access through commercial rate equity for high Medicaid safety net acute hospitals that
48 predominantly serve communities that experience health disparities as a result of race, ethnicity,
49 socioeconomic status or other status, for all commercial insured health benefit plan rates
50 effective for rate years on and after January 1, 2023, the carrier's health benefit plan rates filed
51 with the division of insurance are considered presumptively disapproved if the carrier's network
52 provider reimbursement rates, inclusive of rates and targets within alternative payment contracts,
53 do not reimburse high Medicaid acute hospitals, defined as acute care hospitals with a fiscal year
54 2020 Medicaid payer mix at or above 25 per cent calculated using data published by the center
55 for health information and analysis in April 2022 in its databook titled Massachusetts Hospital

56 Profiles, at or greater than the carrier's statewide average commercial relative price calculated
57 separately for acute hospital inpatient and outpatient services in accordance with requirements
58 established by the division of insurance, based on the most recent relative price analysis by the
59 center for health information and analysis. Carriers shall annually certify and provide hospital-
60 specific evidence to the division of insurance that each high Medicaid acute hospital's rates meet
61 a minimum threshold of the carrier's statewide average commercial relative price individually
62 calculated for inpatient and outpatient services.

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

65

66 To promote health equity and access through commercial rate equity for high Medicaid
67 safety net acute hospitals that predominantly serve communities that experience health
68 disparities as a result of race, ethnicity, socioeconomic status or other status, for all commercial
69 insured health benefit plan rates effective for rate years on and after January 1, 2023, the carrier's
70 health benefit plan rates filed with the division of insurance are considered presumptively
71 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets
72 within alternative payment contracts, do not reimburse high Medicaid acute hospitals, defined as
73 acute care hospitals with a fiscal year 2020 Medicaid payer mix at or above 25 per cent
74 calculated using data published by the center for health information and analysis in April 2022 in
75 its databook titled Massachusetts Hospital Profiles, at or greater than the carrier's statewide
76 average commercial relative price calculated separately for acute hospital inpatient and
77 outpatient services in accordance with requirements established by the division of insurance,

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

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

85

86 Section 229. Approval of Contracts

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

91 To promote health equity and access through commercial rate equity for high Medicaid
92 safety net acute hospitals that predominantly serve communities that experience health
93 disparities as a result of race, ethnicity, socioeconomic status or other status, for all commercial
94 insured health benefit plan rates effective for rate years on and after January 1, 2023, the carrier's
95 health benefit plan rates filed with the division of insurance are considered presumptively
96 disapproved if the carrier's network provider reimbursement rates, inclusive of rates and targets
97 within alternative payment contracts, do not reimburse high Medicaid acute hospitals, defined as
98 acute care hospitals with a fiscal year 2020 Medicaid payer mix at or above 25 per cent
99 calculated using data published by the center for health information and analysis in April 2022 in

100 its databook titled Massachusetts Hospital Profiles, at or greater than the carrier's statewide
101 average commercial relative price calculated separately for acute hospital inpatient and
102 outpatient services in accordance with requirements established by the division of insurance,
103 based on the most recent relative price analysis by the center for health information and analysis.
104 Carriers shall annually certify and provide hospital-specific evidence to the division of insurance
105 that each high Medicaid acute hospital's rates meet a minimum threshold of the carrier's
106 statewide average commercial relative price individually calculated for inpatient and outpatient
107 services.

108

109 SECTION 6. The rules or regulations necessary to carry out this act shall be adopted not
110 later than May 1, 2023 or not later than 90 days after the effective date of this act, whichever is
111 sooner.

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