SENATE DOCKET, NO. 981 FILED ON: 1/18/2023

SENATE . . . . . No. 772

The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

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 continue enhanced Medicaid hospital payments.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Jason M. Lewis	*Fifth Middlesex*

SENATE DOCKET, NO. 981 FILED ON: 1/18/2023

SENATE . . . . . No. 772

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 772) of Jason M. Lewis for legislation relative to the calculation of reimbursement rates to disproportionate share hospitals. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *796* OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act to continue enhanced Medicaid hospital payments.

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 118E of the General Laws is hereby amended by inserting the following new section:-

Section XX (a) The executive office shall direct monthly payments to eligible hospitals in the form of enhanced Medicaid payments, supplemental payments or other appropriate mechanism. Each payment made to an eligible hospital shall equal 5 per cent of the eligible hospital's average monthly Medicaid payments, as determined by the executive office, for inpatient and outpatient acute hospital services for the preceding year or the most recent year for which data is available; provided, however, that such enhanced Medicaid payments shall not be used in subsequent years by the secretary to calculate an eligible hospital's average monthly

payment; and provided further, that such payments shall not offset existing Medicaid payments for which an eligible hospital may be qualified to receive.

(b) The executive office may require as a condition of receiving payment any such reasonable condition of payment that the secretary determines necessary to ensure the availability, to the extent possible, of federal financial participation for the payments, and the executive office may incur expenses and the comptroller may certify amounts for payment in anticipation of expected receipt of federal financial participation for the payments.

(c) The executive office may promulgate regulations as necessary to carry out this section.

(d) For the purposes of this section "eligible hospital" shall mean a non-profit or municipal acute care hospital licensed under section 51 of chapter 111 that: (i) has a statewide relative price less than 0.90, as calculated by the center for health information and analysis pursuant to section 10 of chapter 12C according to data from the most recent available year; (ii) has a public payer mix equal to or greater than 60 per cent, as calculated by the center for health information and analysis according to data from the most recent available year; and (iii) is not owned, financially consolidated or corporately affiliated with a provider organization, as defined by section 1 of chapter 6D, that: (A) owns or controls 2 or more acute care hospitals licensed under section 51 of chapter 111; and (B) the total net assets of all affiliated acute care hospitals within the provider organization is greater than $600,000,000, as calculated by the center for health information and analysis according to data from the most recent available year.

(e) For the purposes of subsection (d), a hospital's mere clinical affiliation with a provider organization, absent ownership, financial consolidation or corporate affiliation, shall not disqualify an eligible hospital from payments authorized under this section.