HOUSE DOCKET, NO. 3298 FILED ON: 1/17/2025

HOUSE . . . . . No. 1387

The Commonwealth of Massachusetts

PRESENTED BY:

Christopher M. Markey

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 increase reimbursement for low historic relative price hospitals.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Christopher M. Markey	*9th Bristol*	*1/17/2025*
Christopher Hendricks	*11th Bristol*	*1/22/2025*
Carole A. Fiola	*6th Bristol*	*2/11/2025*
Antonio F. D. Cabral	*13th Bristol*	*3/6/2025*
Vanna Howard	*17th Middlesex*	*7/29/2025*

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HOUSE . . . . . No. 1387

By Representative Markey of Dartmouth, a petition (accompanied by bill, House, No. 1387) of Christopher M. Markey and others relative to reimbursement for certain acute hospitals that qualify as low historic relative price hospitals. Health Care Financing.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act to increase reimbursement for low historic relative price 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 6D of the General Laws is hereby amended by inserting after section 9 the following section:-

Section 9A. (a) For the purposes of this section, "low historic relative price hospital" shall mean an acute hospital (i) with an average statewide relative price across all carriers during a 5-year period of less than 0.90, and (ii) that is either corporately independent or is corporately affiliated with 2 or more acute hospitals but negotiates carrier contracts separately and on its own behalf. The commission, in consultation with the center, shall annually publish a list of acute hospitals that qualify as low historic relative price hospitals under this section.

(b) The commission shall establish a rate equity target to advance the equitable reimbursement of low historic relative price hospitals:

(1) For the benchmark cycle of calendar years 2026 to 2029, inclusive, a carrier shall not pay any in-network low historic relative price hospital a payment rate that is less than 15 per cent below the average relative price of all acute hospitals in the carrier's network;

(2) For the benchmark cycle of calendar years 2029 to 2032, inclusive, the average annual reimbursement rate increase from a carrier to a low historic relative price hospital shall be not less than 2 per cent above the health care cost growth benchmark;

(3) For the benchmark cycle of calendar years 2032 to 2035, inclusive, the average annual reimbursement rate increase from a carrier to a low historic relative price hospital shall be not less than 1 per cent above the health care cost growth benchmark; and

(4) Beginning in the benchmark cycle of calendar years 2035 to 2038, inclusive, and beyond, the average annual reimbursement rate increase from a carrier to a low historic relative price hospital shall be not less than the health care cost growth benchmark.