SENATE DOCKET, NO. 529 FILED ON: 1/13/2025

SENATE . . . . . No. 905

The Commonwealth of Massachusetts

PRESENTED BY:

Michael F. Rush

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 improve health care cost accountability.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Michael F. Rush	*Norfolk and Suffolk*

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SENATE . . . . . No. 905

By Mr. Rush, a petition (accompanied by bill, Senate, No. 905) of Michael F. Rush for legislation to improve health care cost accountability. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *802* OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act to improve health care cost accountability.

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. Section 1 of Chapter 224 6D of the Acts of 2012 is amended by adding the following:-

"Weighted Average Payer Rate" or "WAPR", a measure by which a sum of the inpatient revenue per discharge and outpatient revenue per visit is separately calculated for Commercial, Medicare, and Medicaid. A weighted average of the three resulting values is derived, with the Net Patient Service Revenue - based payer mix of the three payers serving as weights.

SECTION 2. Section 8(a) of Chapter 224 6D of the Acts of 2012 is amended by striking out Section 8(a) and adding the following

(a) Not later than October 1 of every year, the commission shall hold public hearings based on the report submitted by the center for health information and analysis under section 16

of chapter 12C comparing the growth in total health care expenditures to the health care growth benchmark for the previous calendar year. The hearings shall examine health care provider, provider organization, and private and public health care payer costs, prices, weighted average payer rates, and cost trends, with particular attention to factors that contribute to cost growth within the commonwealth's health care system.

SECTION 3. Section 8(e) of Chapter 224 6D of the Acts of 2012 is amended by striking out Section 8(e)(i) and adding the following

(i) in the case of providers and provider organizations, testimony concerning payment systems, care delivery models, payer mix, cost structures, administrative and labor costs, capital and technology cost, adequacy of public payer reimbursement levels, reserve levels, utilization trends, relative price, weighted average payer rate, quality improvement and care-coordination strategies, investments in health information technology, the relation of private payer reimbursement levels to public payer reimbursements for similar services, efforts to improve the efficiency of the delivery system, efforts to reduce the inappropriate or duplicative use of technology and the impact of price transparency on prices

SECTION 4. Section 13(d) of Chapter 224 6D of the Acts of 2012 is amended by striking out Section 10(d)(v) and adding the following

(v) provider cost and cost trends including the weighted average payer rate in comparison to total health care expenditures statewide

SECTION 5. Section 13(d) of Chapter 224 6D of the Acts of 2012 is amended by striking out Section 13(d)(xii) and adding the following

(xii) the weighted average payer rate paid to each acute hospital and physician organization; (xiii) any other factors that the commission determines to be in the public interest.

SECTION 6. Section 1 of Chapter 224 12C of the Acts of 2012 is amended by inserting the following

"Weighted Average Payer Rate" or "WAPR", a measure by which a sum of the inpatient revenue per discharge and outpatient revenue per visit is separately calculated for Commercial, Medicare, and Medicaid. A weighted average of the three resulting values is derived, with the Net Patient Service Revenue- based payer mix of the three payers serving as weights.

SECTION 7. Section 10(b) of Chapter 224 12C of the Acts of 2012 is amended by inserting following section

(12) the weighted average payer rate paid to each acute care hospital and physician organization

SECTION 8. Section 16(a) of Chapter 224 12C of the Acts of 2012 is amended by adding the following after the words "patient centered medical homes."

(6) the weighted average payer rate paid to each acute care hospital, and physician organization, respectively.