

HOUSE No. 1470

The Commonwealth of Massachusetts

PRESENTED BY:

Michael A. Costello

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 relative to an affordable health plan.

PETITION OF:

NAME:

Michael A. Costello

Kate Hogan

DISTRICT/ADDRESS:

1st Essex

3rd Middlesex

HOUSE No. 1470

By Mr. Costello of Newburyport, a petition (accompanied by bill, House, No. 1470) of Michael A. Costello and Kate Hogan relative to affordable health plans. Public Health.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to an affordable health plan.

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 2008 Official
2 Edition, is hereby amended by adding the following section:-

3 Section 11. As used in this section, the following words shall have the following
4 meanings:

5 "Statutory reimbursement rate," with respect to payment to a health care provider for
6 services rendered to any person covered under an "Affordable Health Plan", 110 percent of the
7 Medicare reimbursement rate for those services as if they were rendered to a Medicare
8 beneficiary not taking into consideration any beneficiary cost sharing. For services or supplies
9 for which there is no Medicare reimbursement amount, the amount as determined by the
10 commissioner of the division of health care finance and policy is to be consistent with Medicare
11 payment policies at a 110 percent level and set in consultation with the commissioner of
12 insurance.

13 (a) As a condition of doing business in the commonwealth, a carrier that offers health
14 benefit plans to eligible small businesses and eligible individuals, as defined by chapter 176J,
15 shall offer an "Affordable Health Plan" to all eligible individuals and small businesses, both
16 within the connector, for such carriers participating in the connector, and for all such carriers
17 outside the connector. This "Affordable Health Plan" shall contain benefits that are actuarially
18 equivalent to the lowest level benefit plan available to the general public within the connector,
19 other than the young adult plan. Payment for all services, other than outpatient pharmacy
20 benefits, for all providers under "Affordable Health Plans" shall be consistent with the
21 requirements as included in paragraph (b).

22 (b) Claims for services shall be adjudicated at the in-network benefit level or, if
23 applicable under the terms of the plan, the out-of-network benefit level based on the participation
24 status of the provider in the carrier's network. Every health care provider licensed in the
25 commonwealth which provides covered services to a person covered under "Affordable Health
26 Plans" must provide such service to any such person, as a condition of their licensure, and must
27 accept payment at the lowest of the statutory reimbursement rate, an amount equal to the
28 actuarial equivalent of the statutory reimbursement rate, or the applicable contract rate with the
29 carrier for the carrier's product offering with the lowest level benefit plan available to the general
30 public within the connector, other than the young adult plan, and may not balance bill such
31 person for any amount in excess of the amount paid by the carrier pursuant to this section, other
32 than applicable co-payments, co-insurance and deductibles.

33 (c) Providers shall not attempt to recoup such excess amounts by increasing charges to
34 other health benefit plans or other payers. The division of health care finance and policy shall
35 monitor provider charges to ensure compliance with this section and shall report any non-

36 compliance to the attorney general. The division of health care finance and policy shall
37 promulgate regulations enforcing this subsection, which shall include penalties for
38 noncompliance.

39 (d) Existing contracts between providers and carriers shall comply with the requirements
40 of this section as to the reimbursement rate and providers shall provide services to individuals
41 under "Affordable Health Plans" under such existing contracts with carriers. A provider that
42 participates in a carrier's network or any health benefit plan shall not refuse to participate in the
43 carrier's network with respect to the "Affordable Health Plan".

44 SECTION 2. Section 11 of Chapter 176J is hereby repealed.

45 SECTION 3. Section 2 of this act shall take effect on January 1, 2013.