

Joint Committee on Health Care Financing 2025-2026 (194th) Bill Summary

<u>Bill Number:</u>	House, No. 1363
<u>Title:</u>	An Act to extend enhanced Medicaid benefits to eligible hospitals
<u>Sponsor:</u>	Representative Carole A. Fiola (Fall River)
<u>Hearing Date:</u>	July 15, 2025
<u>Reporting Deadline:</u>	September 13, 2025
<u>Prior History:</u>	2023-24 (H1198 / S0731): A refile of similar legislation, H1198 & S0731, from the 2023-2024 legislative session. Referred to the Joint Committee on Health Care Financing. Public hearing on September 12, 2023. Accompanied a study order on May 9, 2024, see H4634. No further action taken.
<u>Similar Matters:</u>	S846 (Cronin – Identical, Health Care Financing)

Current Law:

M.G.L. Ch. 6A §2 establishes the Executive Office of Health and Human Services.

Chapter 12C of the General Laws establishes the CHIA as an independent agency tasked with collecting and analyzing health care data and publishing annual reports on health care costs, cost trends, market power, and quality data in support of the annual health care cost trends hearings conducted by the HPC.

M.G.L. Chapter 12C § 1 defines certain terms as they are to be understood within the context of Chapter 12C, which governs the operation and activities of the Center for Health Information and Analysis [CHIA]. Within section 1, the term “relative price” is defined as “the contractually negotiated amounts paid to providers by each private and public carrier for health care services, including non-claims related payments and expressed in the aggregate relative to the payer's network-wide average amount paid to providers, as calculated under section 9 and regulations promulgated by the center.”

M.G.L. Chapter 12C §§ 8 & 9 direct CHIA to ensure uniform reporting by institutional providers, parent organizations, providers, and provider organizations of revenues, charges, costs, price, utilization of services, and other pertinent data necessary to identify health care trends.

M.G.L. Chapter 12C § 10 directs CHIA to ensure uniform reporting by private and public health care payers of information necessary to analyze trends in health insurance costs and utilization.

M.G.L. Chapter 12C § 16 requires CHIA to publish an annual report on health care cost trends based on data collected from payers and providers under sections 8, 9 & 10 of chapter 12C, market power reviews as required under section 13 of chapter 6D, and quality data collected under section 15 of chapter 12C.

Chapter 118E of the General Laws pertains to the state Medicaid program [MassHealth].

957 CMR 2.00 is the Center for Health Information and Analysis regulation governing the methodology and filing requirements for health care payers to calculate and report health status adjusted total medical expenses, relative prices, alternative payment methods, prescription drug rebate information, primary care and behavioral health expenses, and other aggregate data CHIA may require to ensure the uniform reporting of information from private and public payers, including third party administrators.

957 CMR 6.00 is the Center for Health Information and Analysis regulation governing filing requirements for certain providers to report their costs and other data to CHIA, including reporting by community health centers pursuant to 957 CMR 6.11

957 CMR 9.00 is the Center for Health Information and Analysis regulation governing financial reporting requirements for acute and non-acute hospitals, including their parent organization and physician organizations for the submissions of hospital cost reports, charge books, and quarterly and annual financial data filings.

Section 63 of Chapter 260 Acts of 2020, “*An Act promoting a resilient health care system that puts patients first*” [S2984], directs the Executive Office of Health and Human Services [EOHHS] to provide enhanced Medicaid payments for certain eligible hospitals. Eligible hospitals are non-profit or municipal acute hospitals that (i) have a statewide relative price less than 0.90, as calculated by the Center for Health Information Analysis (CHIA) according to data from the most recent year; (ii) have a public-payer mix equal to or greater than 60%; and (iii) are not owned, financially consolidated or corporately affiliated with a provider organization that (a) owns or controls 2 or more licensed acute care hospitals; and (b) has total net assets of all affiliated licensed acute care hospitals within the provider organization that are greater than \$600,000,000 as calculated by CHIA according to data from the most recent year. Eligible hospitals shall receive payment equal to 5 per cent of the hospital’s average monthly Medicaid payments for inpatient and outpatient acute hospital services for the preceding year or the most recent year that data is available. The sum of all payments made to eligible hospitals shall not exceed \$35,000,000 in any fiscal year. This section was repealed by Section 76 of Chapter 260 Acts of 2020, effective January 1, 2023.

Summary: The proposed legislation reinstates the enhanced Medicaid payments issued by EOHHS for certain eligible hospitals under Section 63 of Chapter 260 Acts of 2020, which expired on January 1, 2023.