

HOUSE No. 1189

The Commonwealth of Massachusetts

PRESENTED BY:

James J. O'Day

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 nursing facility care.

PETITION OF:

NAME:

James J. O'Day

DISTRICT/ADDRESS:

14th Worcester

HOUSE No. 1189

By Mr. O'Day of West Boylston, a petition (accompanied by bill, House, No. 1189) of James J. O'Day relative to reimbursements for nursing home care and services. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to nursing facility care.

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 6D of the General Laws, as appearing in the 2016 Official Edition,
2 is hereby amended by adding after section 15 the following section:

3 Section 15(1/2). In contracting with a nursing home licensed under chapter 111, section
4 71 of the General Laws, an Health Policy Commission certified Accountable Care Organization
5 established under this chapter shall reimburse the nursing facility for care and services provided
6 to an Accountable Care Organization patient as defined in this chapter at a rate of payment that is
7 no less than the Medicare rate of payment that would have applied if the nursing home had been
8 reimbursed for care and services rendered to the Accountable Care Organization patient under
9 the Medicare Part A Fee-For-Service program.

10 SECTION 2. Chapter 118E of the Massachusetts General Laws, as so appearing, is
11 hereby amended by inserting the following new section after section 77:

12 Section 78. In contracting with a nursing home licensed under chapter 111, section 71 of
13 the General Laws, any Managed Care Organization (MCO) or Accountable Care Organization
14 (ACO) with which the MassHealth agency contracts to provide and coordinate care and certain
15 other medical services to members on a capitated basis shall reimburse the nursing home for care
16 and services provided to a MassHealth member based on the facility's actual base year costs
17 adjusted by an inflation factor to recognize changes in the prices of inputs, including staff wages,
18 for providing nursing facility care. Actual base year costs shall be set using facility specific costs
19 reported to the center for health information and analysis. The MCO and/or ACO shall inflate
20 base year costs to the current rate year through an adjustment equal to the cumulative Medicare
21 Skilled Nursing Facility (SNF) market basket update as defined under Section 1888 (e)(B) of the
22 federal Social Security Act. For the purposes of this section, MCO and/or ACO is defined as any
23 entity with which the MassHealth agency contracts to provide and coordinate care and certain
24 other medical services to members on a capitated basis, including a senior care organization
25 (SCO), an integrated care organization (ICO), or an entity that is approved by the Massachusetts
26 Division of Insurance as a health maintenance organization (HMO), or that otherwise meets the
27 State Plan definition of an HMO.