

HOUSE No. 538

The Commonwealth of Massachusetts

PRESENTED BY:

Kevin G. Honan

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 for health care non-discrimination.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>
<i>William C. Galvin</i>	<i>6th Norfolk</i>
<i>Daniel Cullinane</i>	<i>12th Suffolk</i>

HOUSE No. 538

By Mr. Honan of Boston, a petition (accompanied by bill, House, No. 538) of Kevin G. Honan and others relative to alternative payment arrangements and health care non-discrimination. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act for health care non-discrimination.

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 176O of the General Laws is amended by adding the following
2 Section.

3 Section 28. (a) When establishing alternative payment arrangements, a carrier may take
4 into account patient population characteristics including age, acuity, social determinants of
5 health, and behavioral health service needs. The measures of total medical expense used to
6 establish an alternative payment arrangement should include expenses incurred by all providers
7 in the carrier’s provider network, uniformly applied by provider type. When establishing
8 alternative payment arrangements, a carrier shall not take into account provider prices or historic
9 medical spending attributable only to a subset of its provider network or the historic medical
10 expenses of members based on their attribution to specific providers in the carrier’s network.

11 (b) In addition to the factors set forth in subsection (a) of this section, an alternative
12 payment arrangement may include adjustments for claims processing and administrative costs

13 and incentive payments based on attainment of quality measures or outcomes, as negotiated
14 between a carrier and providers participating in the alternative payment arrangement.

15 (c) Each carrier shall file with the center for health information and analysis data on its
16 alternative payment arrangements sufficient for the verification of compliance with subsection
17 (a) of this section, in a form determined by the center for health information and analysis.

18 (d) A violation of subsection (a) or (c) of this section shall be a violation of Section __ of
19 chapter 93A of the general laws.

20 SECTION 2. Chapter 176O is amended by adding the following definition after the
21 definition of adverse determination:

22 “Alternative payment arrangement” means a contract between a carrier and a health care
23 provider or group of providers under which payment is made by capitation, shared savings,
24 reconciliation of fee-for-service payments against a global budget or per-member-per month
25 target, or any other method that bases payments to the provider on a projection of the medical
26 expenses to be incurred by a population of individuals.