

**HOUSE . . . . . No. 1919**

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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 passage of the accompanying:

An Act relative to an affordable health plan.

PETITION OF:

NAME:

*Michael A. Costello*

DISTRICT/ADDRESS:

*1st Essex*

**HOUSE . . . . . No. 1919**

By Mr. Costello of Newburyport, a petition (accompanied by bill, House, No. 1919) of Michael A. Costello relative to affordable health plans. Public Health.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
 HOUSE  
 , NO. 1470 OF 2011-2012.]

**The Commonwealth of Massachusetts**

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   
4 Section 11. As used in this section, the following words shall have the following meanings:  
5   
6  "Statutory reimbursement rate," with respect to payment to a health care provider for services  
7 rendered to any person covered under an "Affordable Health Plan", 110 percent of the Medicare  
8 reimbursement rate for those services as if they were rendered to a Medicare beneficiary not  
9 taking into consideration any beneficiary cost sharing. For services or supplies for which there is  
10 no Medicare reimbursement amount, the amount as determined by the commissioner of the  
11 division of health care finance and policy is to be consistent with Medicare payment policies at a  
12 110 percent level and set in consultation with the commissioner of insurance.  
13   
14  (a) As a condition of doing business in the commonwealth, a carrier that offers health benefit  
15 plans to eligible small businesses and eligible individuals, as defined by chapter 176J, shall offer  
16 an "Affordable Health Plan" to all eligible individuals and small businesses, both within the  
17 connector, for such carriers participating in the connector, and for all such carriers outside the  
18 connector. This "Affordable Health Plan" shall contain benefits that are actuarially equivalent to  
19 the lowest level benefit plan available to the general public within the connector, other than the  
20 young adult plan. Payment for all services, other than outpatient pharmacy benefits, for all

21 providers under "Affordable Health Plans" shall be consistent with the requirements as included  
22 in paragraph (b).

23

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

35

36  (c) Providers shall not attempt to recoup such excess amounts by increasing charges to other  
37 health benefit plans or other payers. The division of health care finance and policy shall monitor  
38 provider charges to ensure compliance with this section and shall report any non-compliance to  
39 the attorney general. The division of health care finance and policy shall promulgate regulations  
40 enforcing this subsection, which shall include penalties for noncompliance.

41

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

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

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

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