HOUSE DOCKET, NO. 860 FILED ON: 1/19/2011

# HOUSE . . . . . No. 330

## The Commonwealth of Massachusetts

PRESENTED BY:

***Christopher N. Speranzo***

*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 establishing transparency in "Pay-for-Performance" provisions in health insurance contracts.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|---|---|
| *Christopher N. Speranzo* | *3rd Berkshire* |

HOUSE DOCKET, NO. 860 FILED ON: 1/19/2011

# HOUSE . . . . . No. 330

By Mr. Speranzo of Pittsfield, a petition (accompanied by bill, House, No. 330) of Christopher N. Speranzo relative to "pay-for-performance" provisions in health insurance contracts. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *3563* OF 2009-2010.]

## The Commonwealth of Massachusetts

An Act establishing transparency in "Pay-for-Performance" provisions in health insurance contracts.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

Section 1. Any provision in a contract between (a) a health insurance carrier or HMO and (b) any provider that purports to adjust or vary the reimbursement payable to such provider, either for a particular service or in the aggregate, on the basis of quality of care measurements or other performance factors shall reflect nationally recognized standards and measures of care that are created by independent healthcare improvement organizations or agencies, such as the Joint Commission, the Institute for Healthcare Improvement, the Agency for Healthcare Research and Quality or others that have been recognized and/or approved by the Massachusetts Department of Public Health. The standard of care definitions, performance measurements and methodologies for analyzing data (including, but not limited to, use of risk adjustments) utilized in such contract provisions shall be those utilized by such healthcare improvement organizations or agencies, except to the extent that the parties to the contract have expressly agreed in writing otherwise. Upon inclusion of such a provision in a contract, it shall not be changed except (a) by express written agreement of the parties or (b) as such healthcare improvement organizations or agencies adjust their standards, definitions, measurements or methodologies. Any health insurance carrier or HMO proposing to make a reimbursement adjustment or variation based upon such a measurement of quality of care or other performance factor shall first give the affected provided at least 60 days advanced written notice, together with full and complete disclosure of the basis and calculation justifying such adjustment or variation.