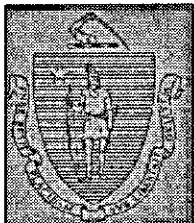


SENATE, NO. 2526

[SIMILAR MATTER FILED DURING PAST SESSION
SEE NO. OF]



The Commonwealth of Massachusetts

IN THE YEAR OF TWO THOUSAND AND EIGHT

**AN ACT TO PROMOTE COST CONTAINMENT, TRANSPARENCY AND
EFFICIENCY IN THE DELIVERY OF QUALITY HEALTH CARE**

Whereas, The deferred operation of this act would tend to defeat its purpose, which is forthwith to expand access to health care for Massachusetts residents, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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

Promote Public Transparency of Health Care Quality and Cost

SECTION 1. Chapter 6A of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking section 16K and inserting in place thereof the following section:-

Section 16K. There shall be a health care quality and cost council within, but not subject to the control of, the executive office of health and human services. The council shall promote public transparency of the quality and cost of health care in the commonwealth, and establish health care quality improvement and cost containment goals. The goals shall be designed to promote high-quality, safe, effective, timely,

11 efficient, equitable and patient-centered health care. The council shall receive staff
12 assistance from the executive office of health and human services and may, subject to
13 appropriation, employ such additional staff or consultants as it may deem necessary. The
14 council shall consist of the secretary of health and human services, the auditor of the
15 commonwealth or his designee, the inspector general or his designee, the attorney general
16 or his designee, the commissioner of insurance, the executive director of the group
17 insurance commission, the executive director of the commonwealth connector, the
18 secretary of administration and finance or his designee, and 7 persons to be appointed by
19 the governor, 1 of whom shall be a representative of a health care quality improvement
20 organization recognized by the federal Centers for Medicare and Medicaid services, 1 of
21 whom shall be a representative of the Institute for Healthcare Improvement, Inc.
22 recommended by the organization's board of directors, 1 of whom shall be a
23 representative of the Massachusetts Chapter of the National Association of Insurance and
24 Financial Advisors, 1 of whom shall be a representative of the Massachusetts Association
25 of Health Underwriters, 1 of whom shall be a representative of the Massachusetts
26 Medicaid Policy Institute, 1 of whom shall be an expert in health care policy from a
27 foundation or academic institution and 1 of whom shall represent a non-governmental
28 purchaser of health insurance. The representatives of nongovernmental organizations
29 shall serve staggered 3-year terms. The council shall be chaired by the secretary of health
30 and human services.

31
32 **Public Reporting and Reimbursement of Serious Reportable Events**

33
34 SECTION 2. Subsection (e) of section 16L of chapter 6A of the General Laws is
35 hereby amended by adding the following 2 clauses:—

36
37 (i) The council shall promulgate regulations that create a list of "never events",
38 so-called, which shall be updated annually, based upon guidelines developed by the
39 National Quality Forum and other patient safety and medical quality experts. Reporting
40 of each never event shall be included in the consumer health information website created
41 by subsection (h). The website shall identify both the never events and the facilities at

42 which each occurred, but shall not include any other identifying information including
43 but not limited to any of the health care professionals, facility employees or patients
44 involved.

45
46 (ii) Notwithstanding any provisions in the General Laws to the contrary, no third
47 party payer, including the commonwealth, an insurer licensed or otherwise authorized to
48 transact accident or health insurance organized under chapter 175, a nonprofit hospital
49 service corporation organized under chapter 176A, a nonprofit medical service
50 corporation organized under chapter 176B, a health maintenance organization organized
51 under chapter 176G and an organization entering into a preferred provider arrangement
52 under chapter 176I, may knowingly reimburse a health care professional or a health care
53 facility for services that resulted in and from any of the never events identified by the
54 council, and no health care professional or health care facility may bill the patient for
55 such services.

56
57 **Enhancing Transparency of Health Care Provider Cost Increases**

58
59 SECTION 3. Section 16L of Chapter 6A of the General Laws is hereby amended
60 by adding the following 4 subsections:-

61
62 (r) The health care quality and cost council shall hold an annual public hearing to
63 examine the factors that contribute to the cost increases of the health care delivery system
64 and strategies employed by the provider community to reduce cost growth. While
65 considering size, payor mix, geographic representation and specialty, the council shall
66 identify a broad representative sample of providers in each of the following categories:
67 integrated delivery systems, acute care hospitals, community health centers, freestanding
68 ambulatory surgical centers, physician group practices, rehabilitation hospitals and
69 skilled nursing facilities. Each identified provider shall be required to provide oral and
70 written testimony at the hearing in a format determined by the council. The council shall
71 require providers to provide testimony on payment systems; utilization trends, including
72 volume of services and intensity of services; demographics of populations served; labor

73 and supply costs; community benefits programs; endowment contributions; executive
74 compensation; administrative costs; capital investments; strategies to contain the rate of
75 cost growth, including, but not limited to, provider efforts to minimize medical errors,
76 eliminate waste and duplication in clinical care, manage chronic diseases, reduce the use
77 of ineffective or inappropriate medical technology or devices, prioritize technology
78 investments for computerized physician support systems and electronic health records,
79 determine capital expenditures based on public health needs, and cut administrative costs;
80 and other matters as determined by the council. The council may consolidate this hearing
81 with the hearing called for in subsection (j).

82
83 (s) Within 60 days following the hearing called for in the preceding subsection,
84 the council shall issue a public report summarizing its findings and any
85 recommendations. The report shall include, but shall not be limited to, the following: (i)
86 a standard measurement of the annual total health care spending in the Commonwealth,
87 or the "Massachusetts Global Health Cost Indicator", as determined by the council; (ii)
88 the rate of annual increase or decrease of health care costs in total and within health care
89 sectors; (iii) an analysis of the primary cost drivers in the health care delivery system; (iv)
90 an evaluation of the scope and effectiveness of provider cost containment efforts; and (v)
91 regulatory, legislative and other recommendations to control health care costs, as
92 developed by the council.

93
94 (t) A subcommittee of the council shall be established to pursue public and private
95 reform of health care purchasing. The subcommittee shall convene public and private
96 health care purchasers for the purpose of collaborating on common purchasing principles
97 and strategies for promoting and rewarding higher value health care. The subcommittee
98 shall identify and develop non-binding payment guidelines and best practices that will
99 align purchasing incentives around shared quality goals. The subcommittee shall focus
100 on, but shall not be limited to: (i) encouraging quality, coordinated, and effective care as
101 opposed to volume of care; (ii) emphasizing chronic disease management programs; (iii)
102 developing appropriate and feasible measures of quality performance, and rewarding
103 providers for improving quality performance; (iv) improving compensation and support

104 for primary care providers; (v) developing a "medical home" payment model that
105 emphasizes a comprehensive approach to patient care; (vi) reducing waste and
106 duplication in clinical care; (vii) investing in and accelerating the adoption of health
107 information technology, specifically computerized physician order entry systems, e-
108 prescribing, and electronic health records; (viii) aligning incentives with federal Medicare
109 payment policies; (ix) promoting health wellness programs; and (x) empowering
110 consumers with access to health care information. The subcommittee shall consist of the
111 attorney general, who shall act as the chair, the secretary of health and human services,
112 the executive director of the commonwealth connector authority, the executive director of
113 the group insurance commission, and an advisory committee consisting of 1 member
114 representing the Massachusetts Association of Health Plans, 1 member representing Blue
115 Cross Blue Shield of Massachusetts, 1 member representing Associated Industries of
116 Massachusetts, 1 member representing the Massachusetts Municipal Association, and 4
117 members to be appointed by the Governor, including 1 health economist, 1 expert in
118 federal Medicare payment policy, 1 representative of a self-insured labor union, and 1
119 health care consumer advocate. The council shall provide the subcommittee with staff as
120 necessary to complete needed research and analysis. The subcommittee shall meet at
121 least once every 2 months, and at other times as determined by its rules. The
122 subcommittee shall submit a report annually by July 1 to the governor, the health care
123 cost and quality council and the general court, by filing the same with the clerks of the
124 senate and house of representatives, the joint committee on health care financing and the
125 joint committee on public health on the subcommittee's progress and activities, and may
126 recommend legislation or regulatory changes.

127

128 (u) The council shall establish goals for adoption of health information
129 technology including, but not limited to, electronic prescription transactions for new
130 prescriptions, prescription renewals, cancellations, changes between prescribers and
131 dispensers, ancillary messages and administrative transactions known as e-prescribing,
132 the process of electronic entry of physician instructions for the treatment of patients,
133 whether hospitalized or ambulatory, under the care of said physician, known as
134 computerized physician order entry, and individual patient records in digital format or

135 electronic health records; provided, however, that any system, network, software or
136 equipment utilized in the attainment of said goals shall be certified by the certification
137 commission for healthcare information technology, an independent, non-profit
138 organization that has been officially named by the federal government as the "recognized
139 certification body" for health information technology products and networks; and
140 provided further, that goals shall state the percentage adoption by providers expected by a
141 given year, any incentives or other provisions for attainment of the goals; and any
142 penalties for failure to attain said goals.

143 144 **Ensuring Physician Health Information Competency**

145
146 SECTION 4. Subsection (b) of section 11A of chapter 13 of the General Laws, as
147 appearing in the 2006 Official Edition, is hereby amended by adding the following
148 sentence:- The board shall require, as a standard of eligibility for licensure, that
149 applicants show a pre-determined level of competency in the use of computerized
150 physician order entry, e-prescribing, electronic health records and other forms of health
151 information technology, as determined by the board.

152 153 **Enhancing Transparency of Insurer Pricing Structures**

154
155 SECTION 5. Chapter 26 of the General Laws is hereby amended by inserting
156 after section 8J the following section:

157
158 Section 8K. The Massachusetts Health Insurance Transparency Report.

159
160 (a) As used in this section, an insurer shall be defined as a carrier authorized to
161 transact accident and health insurance under chapter 175, a nonprofit hospital service
162 corporation licensed under chapter 176A, a nonprofit medical service corporation
163 licensed under chapter 176B, a dental service corporation organized under chapter 176E,
164 an optometric service corporation organized under chapter 176F and a health
165 maintenance organization licensed under chapter 176G.

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(b) Notwithstanding any general or special law to the contrary, all insurers marketing small group or large group plans in the commonwealth shall annually submit to the division of insurance, on or before April 1, the following information: current average individual and family plan premiums for the insurers' prototype or alternative prototype plan, as defined in section 1 of chapter 176S for groups of 1 to 5 employees, 6 to 10 employees, 11 to 25 employees, 26 to 50 employees, 51 to 100 employees, 101 to 500 employees, 501 to 1000 employees, 1001 to 2500 employees, 2501 to 5000 employees and 5001 employees and above. Public employer plans shall be similarly aggregated and reported separately. All reports shall include plan design summaries, including average benefits and co-pays.

(c) On or before July 1 of each year, the division of insurance and the division of health care finance and policy shall annually make available the Massachusetts Health Insurance Transparency Report for consumer and employer use. The report shall be compiled using data collected under this section in the preceding year and shall include the average premium cost results from subsection (b) of this section by insurer, employer size category and by insurers' prototype or alternative prototype plan, as defined in section 1 of chapter 176S.

Establishing the Massachusetts e-Health Institute

SECTION 6. Chapter 40J of the General Laws is hereby amended by inserting after section 6C, the following new section:-

Section 6D. (a) The corporation shall establish an institute for health care innovation, technology and competitiveness, to be known as the Massachusetts e-Health Institute, and a fund to be known as the e-Health Institute Fund, to be held by the corporation separate and apart from its other funds, to finance the activities of the institute. The executive director of the corporation shall appoint a qualified individual as director to manage the affairs of the institute. The corporation, on recommendation of the

197 executive director, shall appoint not less than 7 qualified individuals to a governing board
198 to assist the corporation in matters related to the institute including a dean of a medical
199 school, head of an emerging health technology company, a chief information officer of a
200 major teaching hospital and a technology transfer officer or individual qualified in
201 technology commercialization from a university in the commonwealth. The executive
202 director, and the secretary of health and human services shall serve as ex-officio members
203 of the governing board. The members of the governing board shall consult with the health
204 care quality and cost council, the Massachusetts health and educational facilities
205 authority, the joint committee on health care financing, the house and senate committees
206 ways and means during the preparation of a detailed plan for the operation of the institute
207 and the matching fund. Upon approval of such detailed plan by the board of directors of
208 the corporation, it shall delegate such authority to the governing board as it deems
209 necessary to implement the plan. The members of the governing board shall be deemed to
210 be directors for purposes of the fourth paragraph of section 3. The purpose of the institute
211 shall be to serve as an agent of the commonwealth to create and maintain a statewide,
212 interoperable electronic health records system to improve patient safety and quality, and
213 to lower costs in the state's health care system, with a particular emphasis on the
214 deployment of health information technology in discrete and underserved regions by
215 harnessing local support and involvement in such development activities and by
216 improving the health information technology infrastructure for such clusters. In
217 furtherance of these public purposes, the institute shall endeavor to identify regions
218 where compelling opportunities to make strategic investments appear to be present and
219 develop strategies therefor. The institute may also provide development support more
220 generally to organizations to assist the formation and growth of emerging health
221 technology sectors in those regions and may provide support to departments, agencies,
222 and quasi-public entities of the commonwealth for activities that are consistent with the
223 purposes of the institute. The institute may make grants in support of Massachusetts-
224 based public and private enterprises developing and deploying new technologies to
225 significantly increase the efficiency, safety and quality of the health care system. The
226 institute may work in collaboration with the Massachusetts technology collaborative, the
227 New England Health Care Institute, the Massachusetts Hospital Association, the

228 Massachusetts Association of Community Hospitals, Blue Cross/Blue Shield of
229 Massachusetts, the Massachusetts Association of Health Plans, and other quasi-public
230 agencies and not-for-profit organizations. Successful grants should incorporate regional
231 involvement through alliances among municipalities, colleges, hospitals, health centers,
232 skilled nursing facilities, business and industry, community based organizations, non-
233 profit organizations and labor unions. The governing board may apply the provisions of
234 this chapter that apply to centers and to the center fund to the institute and to the e-health
235 institute fund. Without limiting the generality of the foregoing, the corporation may apply
236 moneys in said fund to start-up expenses and project costs of said institute and related
237 activities, grants or loans to nonprofit or other organizations to promote the use of
238 electronic health records. The institute shall also file an annual report of its activities
239 with the joint committee on health care financing, the house and senate committees on
240 ways and means.

241

242 (b) Before awarding any grant from the e-health institute fund, the corporation
243 shall consult the public health council and the Massachusetts e-health advisory committee
244 established by law. The request for consultation shall be submitted not less than 15
245 business days before the execution of any grant award contract. All successful grant
246 applications shall define specific goals and expected outcomes and contain corresponding
247 accountability measures. Applicants who fail to meet these accountability measures shall
248 be barred from pursuing any additional grants under this section for 5 years from the
249 effective date of the grant.

250

251 (c) In making the initial round of grants from the innovation institute fund, not
252 more than \$25,000,000 a year shall be distributed over a 3 year period to each of the 5
253 geographic regions of the state, defined generally as follows: the central area, comprised
254 of the Northern Worcester Service Delivery Area and the Southern Worcester Service
255 Delivery Area as specified in 20 CFR 661.280; the greater Boston area, comprised of the
256 Boston Service Delivery Area, the Metropolitan North Service Delivery Area and the
257 Metropolitan South/West Service Delivery Area as specified in 20 CFR section 661.280;
258 the northeast area, comprised of the Lower Merrimack Valley Service Delivery Area, the

259 Northern Middlesex Service Delivery Area and the Southern Essex Service Delivery
260 Area as specified in 20 CFR 661.280; the southeast area, comprised of the Bristol Service
261 Delivery Area, the Brockton Service Delivery Area, the Cape and Islands Service
262 Delivery Area, the New Bedford Service Delivery Area and the South Coastal Service
263 Delivery Area as specified in 20 CFR 661.280; and the western area, comprised of the
264 Berkshire Service Delivery Area, Franklin/Hampshire Service Delivery Area and
265 Hampden Service Delivery Area as specified in 20 CFR 661.280.

266

267 (d) The Massachusetts e-health institute may not make a grant under this section
268 unless the recipient organization agrees to use the grant: (1) to develop and implement
269 an electronic health records (EHR); and (2) to begin implementation of the plan not later
270 than the beginning of the second year of the grant.

271

272 (e) In selecting grant or loan recipients under this section, the Massachusetts e-
273 health institute shall consider: (i) existing technological and organizational infrastructure
274 upon which the health information network can build; (ii) the extent of stakeholder
275 participation; (iii) health care provider participation commitments; (iv) capacity to
276 measure quality and efficiency improvements; (v) replicability; (vi) the extent of the
277 opportunity for a plan to improve health care quality and the health outcomes of patients
278 in the region to be served; and (vii) other factors that the collaborative considers relevant.

279

280 (f) Any health information network funded in whole or in part under this section
281 shall comply with any applicable regulatory privacy protections and shall allow patients
282 to exclude their health information from the health information network.

283

284 (g) In the event of the unauthorized access to or disclosure of individually
285 identifiable patient health information occurs by or through the statewide health
286 information network, or by or through any technology grantees funded in whole or in part
287 under this section, the operator of such network or grantee shall: (i) report the conditions
288 of such unauthorized access or disclosure as required by the collaborative; and (ii)

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289 provide notice to any individuals whose patient health information may have been
290 compromised as a result of such unauthorized access or disclosure.

291

292 (h) To apply for a grant under this section, an applicant shall submit an
293 application to the collaborative in such form and manner, and containing such
294 information and assurances as the collaborative may require.

295

296 (i) (1) The collaborative shall provide to the statewide health information
297 technology network and to individual technology grantees such technical assistance as
298 the collaborative deems appropriate to carry out this section, including assistance relating
299 to questions of governance, financing and technological approaches to the creation of
300 health information networks.

301

302 (2) The e-health institute shall by contract or grant establish and maintain a
303 statewide technical assistance center to provide assistance to physicians to facilitate
304 successful adoption of electronic health records and participation in the development and
305 implementation of the statewide health information technology plan by such physicians.
306 The statewide technical assistance center shall assist physicians in all geographical areas
307 served by a health information network. In assisting physicians under this paragraph, the
308 statewide technical assistance centers shall prioritize physicians in small physician groups
309 and, as resources allow, shall assist physicians in larger groups. Technical assistance
310 provided under this paragraph shall, at a minimum, include the following: (i) A
311 clearinghouse of best practices, guidelines and implementation strategies directed at the
312 small medical practices that plan to adopt electronic health records; (ii) a change
313 management tool kit to enable physicians and their staff to successfully prepare practice
314 workflows for adoption of electronic medical records and electronic prescribing, to
315 receive guidance in the selection of vendors of health information technology products
316 and services that are appropriate within the context of the individual practice and the
317 community setting, to implement health information technology solutions and manage
318 the project at the practice level, and to address the ongoing need for upgrades,
319 maintenance and security of office-based health information technologies; and (iii) the

320 capability to provide consultations and advice to small medical practices to facilitate
321 adoption of health information technologies.

322

323 (j) No funds under this section may be used for the establishment of a database of
324 individually identifiable patient health information.

325

326 (k) Not later than 4 years after the date of the enactment of this Act, the e-health
327 institute shall submit a report to the joint committee on health care financing and the
328 senate and house committees on ways and means on the progress in realizing the
329 purposes of this Act, with particular attention to the following: (i) the capacity to
330 exchange health information between and among components of the health system; (ii)
331 rates of provider participation in electronic health records; (iii) the security and privacy
332 of health information technology supported by this section; and (iv) the impact of health
333 information technology on health care quality, health outcomes of patients, and health
334 care costs.

335

336 (l) No state funds may be made available to any entity under this section for the
337 purchase of a health information technology product, unless the product or network, as
338 the case may be, is certified by the Certification Commission on Healthcare Information
339 Technology (CCHIT), or any successor agency or organization established for the
340 purpose of certifying that health information technology shall meet interoperability
341 standards.

342

343 **Pharmacy Academic Detailing Program**

344 SECTION 7. Chapter 111 of the General Laws is hereby amended by inserting
345 after section 4M the following section:—

346 Section 4N. (a) The department of shall develop, in cooperation with the division of
347 Commonwealth Medicine of the University of Massachusetts Medical School, implement
348 and promote an evidence-based outreach and education program designed to provide
349 information and education on the therapeutic and cost-effective utilization of prescription

350 drugs to physicians, pharmacists and other health care professionals authorized to
351 prescribe and dispense prescription drugs, subject to appropriation. In developing the
352 program the department shall consult with physicians, pharmacists, private insurers,
353 hospitals, pharmacy benefit managers, the MassHealth drug utilization review board and
354 the University of Massachusetts medical school. The program shall include the following
355 elements:

356 (1) The opportunity for physicians, pharmacists and nurses under contract with
357 the program to conduct face-to-face visits with prescribers, utilizing evidence-based
358 materials and borrowing methods from behavioral science, educational theory and ,where
359 appropriate, pharmaceutical industry data and outreach techniques. To the extent
360 possible, the program shall inform prescribers about drug marketing that is intended to
361 circumvent competition from generic or other therapeutically equivalent pharmaceutical
362 alternatives or other evidence-based treatment options:

363 (2) Outreach conducted to physicians and other health care practitioners who
364 participate in MassHealth, the subsidized catastrophic prescription drug insurance
365 program authorized in section 39 of chapter 19A, the commonwealth care health
366 insurance program, to other publicly funded, contracted or subsidized health care
367 programs in the commonwealth, to academic medical centers and to other prescribers.

368 (b) The program shall be made available to private payors on a subscription basis.

369 (c) The department shall, to the extent possible, also utilize or incorporate into its
370 program other independent educational resources or models proven effective in
371 promoting high quality, evidenced-based, cost-effective information regarding the
372 effectiveness and safety of prescription drugs, including, but not limited to: (1) the
373 Pennsylvania PACE/Harvard University Independent Drug Information Service, (2) the
374 Academic Detailing Program of the University of Vermont College of Medicine Area
375 Health Education Centers, (3) the Oregon Health and Science University Evidence-based
376 Practice Center's Drug Effectiveness Review project, and (4) the North Carolina
377 evidence-based peer to peer education program outreach program.

378 (d) The department is authorized to establish and collect fees for subscriptions and
379 contracts with private payors and to seek funding from nongovernmental health access
380 foundations and undesignated drug litigation settlement funds associated with
381 pharmaceutical marketing and pricing practices.

382 **Establish Massachusetts Center for Primary Care Recruitment and Replacement**

383

384 SECTION 8. Chapter 111 of the General Laws is hereby amended by inserting
385 after section 25K the following section:-

386

387 Section 25L. There shall be in the department a center for primary care
388 recruitment and placement whose purpose shall be to improve access to primary care
389 services.

390

391 The duties of the center shall consist of the following: (i) coordinate the
392 department's primary care workforce activities with other state agencies and public and
393 private entities involved in health care workforce training, recruitment and retention; (ii)
394 monitor trends in access to primary care and primary care workforce capacity, including
395 regional disparities; (iii) maintain a public web-based statewide primary care job
396 database; (iv) conduct outreach and marketing to recruit primary care providers,
397 regionally and nationally, to practice in Massachusetts; (v) coordinate state and federal
398 loan repayment and incentive programs for primary care providers; (vi) assist and support
399 communities, physician groups, community health centers and community hospitals in
400 developing cost-effective and comprehensive recruitment initiatives; (vii) assist and
401 support primary care professionals by acting as a career service center and providing job
402 placement assistance; and (viii) maximize all sources of public and private funds for
403 recruitment initiatives.

404

405 The center shall submit an annual report to the joint committee on public health,
406 the joint committee on health care financing, and the house and senate committees on
407 ways and means regarding the center's activities in recruiting and retaining health care

408 providers for underserved populations and areas throughout the commonwealth. The
409 annual report shall include, but shall not be limited to, information about: (i) the activities
410 and accomplishments of the center during the report period; (ii) planned activities for the
411 next year; (iii) the number and type of providers who have been recruited to work in the
412 commonwealth as a result of center activities; (iv) the retention rate of providers who
413 have located in underserved areas as a result of center activities; (v) the utilization rate of
414 the scholarship and loan repayment programs and other programs or activities authorized
415 for provider recruitment and retention; and (vi) recommendations for pilot programs and
416 regulatory or legislative proposals to address workforce needs, shortages, recruitment and
417 retention. The annual report shall be submitted by October 1 of each year.

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419

Prevention of Serious Reportable Events.

420

421 SECTION 9. Section 51 of chapter 111 of the General Laws is hereby amended
422 by inserting after the fourth paragraph the following paragraph:- A hospital licensed
423 under this chapter shall report each never event occurrence listed in regulations
424 promulgated under clause (i) of subsection (e) of section 16L of chapter 6A to the Betsy
425 Lehman center for patient safety and medical error reduction, the department of public
426 health, the board of registration in medicine's patient care assessment division, and the
427 health care quality and cost council, as soon as is reasonably and practically possible, but
428 not later than 15 working days after discovery of the never event. Any licensed hospital
429 in the commonwealth which does not comply with this section and the rules and
430 regulation set forth by the department may have its license revoked or suspended by the
431 department, be fined up to \$1,000 per day per violation, or both.

432

Establishment of Patient and Family Advisory Councils

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434

SECTION 10. Chapter 111 of the General Laws is hereby amended by inserting
after section 52 the following section:-

435

436

Section 52A. (a) All hospitals shall establish and convene patient and family
advisory councils, referred to in this section as the councils.

437 (b) The councils shall be composed of current and former patients and members
438 of their immediate families. The minimum size of a council shall be 7 members. The
439 rules and regulations for the councils shall be established by council members.

440 (c) Each hospital shall appoint an employee to serve as a resource to the councils
441 and to coordinate their activities.

442 (d) Each hospital shall develop a committee to establish and maintain a council
443 and to empower the council to provide meaningful input into hospital policy and
444 management. The councils shall meet at least 4 times annually. The hospital shall
445 provide a meeting place for the council.

446 **Strengthen Determination of Need Process**

447
448 SECTION 11. Chapter 111 of the General Laws is hereby amended by inserting
449 after section 53D the following section:-

450
451 Section 53E. Notwithstanding any other provisions of law to the contrary, any distinct
452 freestanding entity that is certified or intends to be certified as an Ambulatory Surgical
453 Center by the federal Centers for Medicare and Services for participation in the Medicare
454 program shall be a clinic for purposes of licensure under section 51 of this chapter, and
455 shall be deemed to be in compliance with the conditions for licensure as a clinic under
456 said section 51 if it is accredited to provide ambulatory surgery services by the
457 Accreditation Association for Ambulatory Health Care, Inc., the Joint Commission on
458 Accreditation of Healthcare Organizations, the American Association for Accreditation
459 of Ambulatory Surgery Facilities or any other national accrediting body that the
460 department of public health determines provides reasonable assurances that such
461 conditions are met. No original license shall be issued pursuant to section fifty-one to
462 establish any such ambulatory surgical clinic unless there is a determination by the
463 department that there is need for such a facility. For purposes of this section, "clinic"
464 shall not include a clinic conducted by a hospital licensed under section 51 or by the

465 federal government or the commonwealth. The department shall promulgate regulations
466 to implement this section.

467 **Reduction of Medical Storage Requirements I**

468 SECTION 12. Section 70 of chapter 111 of the General Laws, as appearing in the
469 2006 Official Edition, is hereby amended by striking out the second and third sentences
470 in the first paragraph and inserting in place thereof the following three sentences-

471 Such records may be made in handwriting, in print, by typewriting, in electronic digital
472 media or conversion to electronic digital media as originally created by such hospital or
473 clinic, by the photographic or microphotographic process, or any combination of the
474 same. Such hospital or clinic, may only destroy said records after the applicable retention
475 period has elapsed upon notifying the department of public health that the applicable
476 retention period has elapsed and the records will be destroyed. Such hospital or clinic
477 shall further provide information through applicable provisions contained in the hospital
478 or clinic notice of privacy practices that records will be terminated after the applicable
479 retention period has elapsed since the last date of service.

480 **Reduction of Medical Storage Requirements II**

481 SECTION 13. Said section 70 of said chapter 111, as so appearing, is hereby
482 further amended by striking out, in line 66, the word "thirty" and inserting in place
483 thereof the following figure:- 15.

484 **Reporting Requirements for Clinical Laboratories**

485

486 SECTION 14. Chapter 111D of the General Laws is hereby amended by striking
487 out section 6, as appearing in the 2006 Official Edition, and inserting in place thereof the
488 following section:

489

490 Section 6. Infectious disease reports; confidential information

491 The department shall require the reporting of any infectious disease found in the
492 examination of specimens at clinical laboratories whenever, in its opinion, reporting of
493 such disease is necessary to protect or promote the public health. Every person who and
494 every agency which maintains a clinical laboratory shall report evidence of any infectious
495 disease including, but not limited to, hospital acquired infections found in the course of
496 the examination of specimens, as required by the department, in such form, manner and
497 detail and within such time as the department shall prescribe. Reports made under this
498 section shall not be constitute a diagnosis nor shall any person making a report under this
499 section be held liable in a civil proceeding for having violated a trust or confidential
500 relationship. Notwithstanding section 10 of chapter 66, every such report shall be kept
501 confidential by the department and its employees and agents and shall not be subject to
502 the inspection, examination or copying by any other agency of government or by any
503 other person; provided, however, that the department shall make public clinical
504 laboratory reports of hospital acquired infections in a manner that does not identify
505 individual patients. Failure of a clinical laboratory to submit reports in a timely manner
506 required under this section shall be punished by a fine, in accordance with regulations
507 promulgated by the department establishing a schedule of fines or by suspension or
508 revocation of the laboratory license or both.

509 **Expanding Use of Physician Assistants in Underserved Area**

510

511 SECTION 15. Section 9E of chapter 112 of the General Laws, as appearing in
512 the 2006 Official Edition, is hereby amended by adding at the end of the first paragraph,
513 the following sentence:

514

515 Physicians who work in medically underserved areas, as designated by the department
516 of public health, may supervise up to 4 physician assistants.

517

518

519

MassHealth Medical Home Demonstration Project

520

521 SECTION 16, Chapter 118E of the General Laws is hereby further amended by
522 inserting after section 10F, the following section:-

523

524 Section 10G. MassHealth Medical Home Demonstration Program

525

526 (a) As used in this section, the following word shall have the following
527 meanings:-

528

529 "Medical home," a primary care practice that utilizes a comprehensive approach
530 to providing patient-centered care that is accessible, continuous, and coordinated so that
531 the relationship between the provider and patient is directed at maintaining a healthy
532 lifestyle with preventive and ongoing health services and is respectful of, and responsive
533 to, individual patient preference, needs, and values.

534

535 (b) Notwithstanding any general or special law to the contrary, the office of
536 Medicaid, subject to appropriation and the availability of federal financial participation,
537 shall establish a medical home demonstration program for the purpose of redesigning the
538 health care delivery system to provide targeted, accessible, continuous and coordinated
539 family-centered care to high need populations including, but not limited to, those with
540 multiple chronic illnesses that require regular monitoring, advising or treatment.

541

542 Under the demonstration program, case management fees shall be paid to personal
543 physicians and incentive payments shall be paid to physicians participating in practices
544 that provide medical home services. Medical homes shall be responsible for: (1)
545 targeting eligible individuals for program participation; (2) providing safe and secure
546 technology to promote patient access to personal health information; (3) developing a
547 health assessment tool for the targeted individuals; and (4) providing training for
548 personnel involved in the coordination of care.

549

550 The program shall operate for three years in urban, rural, and underserved areas in
551 up to ten communities and would include physician practices with fewer than three full-

552 time equivalent physicians, as well as larger practices, particularly in rural and
553 underserved areas.

554

555 Personal physicians who provide first contact and continuous care for their
556 patients must be board certified. Such personal physicians must also have a staff and
557 resources to manage the comprehensive and coordinated care of each of their patients.
558 Participating physicians may be specialists or sub-specialists for patients requiring
559 ongoing care for specific conditions, multiple chronic conditions such as severe asthma,
560 complex diabetes, cardiovascular disease, and rheumatologic disorder, or for those with a
561 prolonged illness.

562

563 Personal physicians must perform or provide for the performance of: (1)
564 advocates for and providing ongoing support, oversight, and guidance to implement a
565 plan of care; that provides an integrated, coherent, cross-discipline plan for ongoing
566 medical care developed in partnership with patients and including all other physicians
567 furnishing care to the patient involved and other appropriate medical personnel or
568 agencies such as home health agencies; (2) uses evidence-based medicine and clinical
569 decision support tools to guide decision-making at the point-of-care based on patient-
570 specific factors; (3) uses health information technology that may include remote
571 monitoring and patient registries; and (4) encourages patients to engage in management
572 of their own health through education and support systems.

573

574 The office of Medicaid may establish a system of supplemental payments for care
575 management to personal physicians through the establishment of a care management fee,
576 and shall establish within the office of Medicaid a care management fee code and a value
577 for these payments.

578

579 The office of Medicaid may also establish a system of supplemental payment for
580 a medical home to physician group practices through the establishment of a medical
581 home fee, and shall establish within the office of Medicaid a medical home fee code and
582 a value for these payments.

583

584

585

586

The office of Medicaid shall provide a yearly program evaluation and submit said report to the senate and house chairs of the joint committee on health care financing and the chairs of the senate and house committees on ways and means.

587

Standardizing Insurance Coding and Forms I

588

589

SECTION 17. Chapter 118E of the General Laws is hereby amended by adding the following section:-

590

591

592

593

Section 61. This section is intended to provide uniformity and consistency in the reporting of patient diagnostic information as well as patient care service and procedure information as it relates to the processing of health care claims.

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(a) Subject to subsection (c), for the purposes of processing claims for health care services submitted by a health care provider, the executive office of health and human services and its subcontractors shall without local customization accept and recognize patient diagnostic information and patient care service and procedure information submitted pursuant to and consistent with the current Health Insurance Portability and Accountability Act (HIPAA) compliant code sets as adopted by the Centers for Medicare and Medicaid Services: the International Classification of Diseases (ICD); the American Medical Association's Current Procedural Terminology (CPT) codes, reporting guidelines and conventions; and the Centers for Medicare and Medicaid Services Healthcare Common Procedure Coding System (HCPCS). The executive office and its subcontractors shall adopt the foregoing coding standards and guidelines, and all changes thereto, in their entirety effective on the same date as the national implementation date established by the entity implementing said coding standards.

608

609

610

611

(b) Subject to subsection (c), the executive office and its subcontractors shall, without local customization, use the standardized claim formats for processing health care claims as adopted by the National Uniform Claim Committee and the National Uniform Billing Committee and implemented pursuant to the federal Health Insurance

612 Portability and Accountability Act. The executive office and its subcontractors shall,
613 without local customization, adopt and routinely process all changes to such formats
614 effective on the same date as the implementation date established by the entity
615 implementing said formats.

616 (c) Other than requirements for consistency and uniformity in coding patient
617 diagnostic information and patient care service and procedure information, this section
618 shall not modify or supersede the Executive Office's or its subcontractor's payment
619 policy or utilization review policy. Nothing in this section shall further preclude the
620 executive office or its subcontractor from adjudicating a claim pursuant to their billing
621 guidelines, payment policies, or provider contracts.

622

623 (d) Effective January 1, 2011, the Executive Office and their subcontractors must
624 accept and recognize at least 85 per cent of all claims submitted by health care providers
625 pursuant to and consistent with the provisions set forth in this section.

626

627

Reduction of Medical Storage Requirements III

628 SECTION 18. Section 36 of chapter 123, as so appearing, is hereby amended by
629 adding the following sentences:- Each facility, subject to this chapter and section 19 of
630 chapter 19, that provides mental health care and treatment shall maintain patient records,
631 as defined in the first paragraph of section 70 of chapter 111, for at least 15 years after
632 closing of the record due to discharge, death or last date of service. Such facility may
633 destroy said records after the applicable retention period has elapsed upon notifying the
634 department that the applicable retention period has elapsed and the records will be
635 destroyed. Said facility shall further provide information through applicable provisions
636 in the hospital or clinic notice of privacy practices that records will be terminated after
637 the applicable retention period has elapsed since the last date of service.

638

Standardizing Insurance Coding and Forms II

639 SECTION 19. Chapter 176O of the General Laws is hereby amended by inserting
640 after section 5 the following 2 sections:-

641 Section 5A. Processing of health care claims. This section is intended to provide
642 uniformity and consistency in the reporting of patient diagnostic information and patient
643 care service and procedure information as it relates to the submission and processing of
644 health care claims.

645
646 (a) Subject to subsection (c), for the purposes of processing claims for health care
647 services submitted by a health care provider, a carrier and its subcontractors shall without
648 local customization accept and recognize patient diagnostic information and patient care
649 service and procedure information submitted pursuant to and consistent with the current
650 Health Insurance Portability and Accountability Act (HIPAA) compliant code sets: the
651 International Classification of Diseases (ICD); the American Medical Association's
652 Current Procedural Terminology (CPT) codes, reporting guidelines and conventions; and
653 the Centers for Medicare and Medicaid Services Healthcare Common Procedure Coding
654 System (HCPCS). A carrier and its subcontractors shall adopt the foregoing coding
655 standards and guidelines, and all changes thereto, in their entirety effective on the same
656 date as the national implementation date established by the entity implementing said
657 coding standards.

658
659 (b) Subject to subsection (c), a carrier and its subcontractors shall, without local
660 customization, use the standardized claim formats for processing health care claims as
661 adopted by the National Uniform Claim Committee and the National Uniform Billing
662 Committee and implemented pursuant to the federal Health Insurance Portability and
663 Accountability Act. A carrier and its subcontractors shall, without local customization,
664 adopt and routinely process all changes to such formats effective on the same date as the
665 implementation date established by the entity implementing said formats.

666
667 (c) Other than requirements for consistency and uniformity in coding patient
668 diagnostic information and patient care service and procedure information, this section
669 shall not modify or supersede a carrier's or its subcontractor's payment policy, utilization
670 review policy, or benefits under a health benefit plan. Nothing in this section shall

671 further preclude a carrier or its subcontractor from adjudicating a claim pursuant to their
672 billing guidelines, payment policies, provider contracts or health benefit plans.

673

674 (d) Effective January 1, 2011, carriers and their subcontractors must accept and
675 recognize at least 85 per cent of all claims submitted by health care providers pursuant to
676 and consistent with the provisions set forth in this section.

677

678 Section 5B. To ensure uniformity and consistency in the submission and
679 processing of claims for health care services pursuant to section 5A of chapter 176O, the
680 bureau of managed care within the division of insurance, after consultation with a
681 statewide advisory committee including but not limited to the Massachusetts Hospital
682 Association, the Massachusetts Medical Society, the Massachusetts Association of Health
683 Plans, the Blue Cross and Blue Shield of Massachusetts, the Massachusetts Health
684 Information Management Association, the Massachusetts Health Data Consortium, a
685 representative of America's Health Insurance Plans, a representative of a MassHealth
686 contracted managed care organization, the executive office of health and human services,
687 the division of health care finance and policy, the health care quality and cost council, the
688 Massachusetts house of representatives, and the Massachusetts senate, shall adopt
689 policies and procedures to enforce section 5A. Said policies and procedures shall include
690 a system for reporting of inconsistencies related to a carrier's compliance with section
691 5A. The bureau shall work jointly with the executive office of health and human services
692 in connection with resolving reports of noncompliance with the requirements of section
693 53 of chapter 118E. The bureau shall convene the advisory committee annually starting
694 on January 1, 2009, and as otherwise necessary, to review and discuss issues reported by
695 health care providers under the section as well as to discuss further recommendations to
696 improve the uniformity and consistency in the reporting of patient diagnostic information
697 and patient care service and procedure information as it relates to the submission and
698 processing of health care claims.

699

Expanding Consumer Choice of Nurse Practitioner Services

700 SECTION 20. The General Laws are hereby amended by inserting after chapter
701 176Q the following chapter:-

702 CHAPTER 176R

703 CONSUMER CHOICE OF NURSE PRACTITIONER SERVICES

704 Section 1. As used in this chapter, the following words shall have the following
705 meanings:

706 "Carrier", an insurer licensed or otherwise authorized to transact accident or
707 health insurance under chapter 175; a nonprofit hospital service corporation organized
708 under chapter 176A; a nonprofit medical service corporation organized under chapter
709 176B; a health maintenance organization organized under chapter 176G; an organization
710 entering into a preferred provider arrangement under chapter 176I; a contributory group
711 general or blanket insurance for persons in the service of the commonwealth under
712 chapter 32A; a contributory group general or blanket insurance for persons in the service
713 of counties, cities, towns and districts, and their dependents under chapter 32B; the
714 medical assistance program administered by the division of medical assistance pursuant
715 to chapter 118E and in accordance with Title XIX of the Federal Social Security Act or
716 any successor statute; and any other medical assistance program operated by a
717 governmental unit for persons categorically eligible for such program.

718 "Commissioner", the commissioner of insurance.

719 "Insured", an enrollee, covered person, insured, member, policyholder or
720 subscriber of a carrier.

721 "Nondiscriminatory basis", a carrier shall be deemed to be providing coverage on
722 a non-discriminatory basis if its plan does not contain any annual or lifetime dollar or unit
723 of service limitation imposed on coverage for the care provided by a nurse practitioner
724 which is less than any annual or lifetime dollar or unit of service limitation imposed on
725 coverage for the same services by other participating providers.

726 "Nurse practitioner", a registered nurse who holds authorization in advanced
727 nursing practice as a nurse practitioner under section 80B of chapter 112, and regulations
728 promulgated thereunder.

729 "Participating provider", a provider who, under a contract with the carrier or with
730 its contractor or subcontractor, has agreed to provide health care services to insureds with
731 an expectation of receiving payment, other than coinsurance, co-payments or deductibles,
732 directly or indirectly from the carrier.

733 "Primary care provider", a health care professional qualified to provide general
734 medical care for common health care problems. The primary care provider supervises,
735 coordinates, prescribes, or otherwise provides or proposes health care services, initiates
736 referrals for specialist care, and maintains continuity of care, within their scope of
737 practice.

738 Section 2. The commissioner and the group insurance commission shall require
739 that all carriers recognize nurse practitioners as participating providers subject to section
740 3 of this chapter and shall include coverage, on a nondiscriminatory basis, to their
741 insureds for care provided by nurse practitioners for the purposes of health maintenance,
742 diagnosis and treatment. Such coverage shall include benefits for primary care,
743 intermediate care and inpatient care, including care provided in a hospital, clinic,
744 professional office, home care setting, long term care setting, mental health or substance
745 abuse programs, or other settings when rendered by a nurse practitioner who is a
746 participating provider and is practicing within the scope of her professional license to the
747 extent that such policy or contract currently provides benefits for identical services
748 rendered by a provider of health care licensed by the commonwealth.

749 Section 3. A participating nurse practitioner practicing within the scope of her
750 licensure including all regulations requiring collaboration with a physician under section
751 80B of chapter 112, shall be considered qualified within the carrier's definition of
752 primary care provider to an insured.

753 Section 4. Notwithstanding any special or general law to the contrary, all carriers
754 that require the designation of a primary care provider shall provide their insured with an
755 opportunity to select a participating provider nurse practitioner as a primary care provider
756 or to change their primary care provider to a participating provider nurse practitioner at
757 any time during their coverage period.

758 Section 5. Notwithstanding any special or general law to the contrary, all carriers
759 shall ensure that all participating provider nurse practitioners are included on any publicly
760 accessible list of participating providers for the carrier.

761 Section 6. Complaints of noncompliance against carriers shall be filed with and
762 investigated by the commissioner or the group insurance commission, whichever shall
763 have regulatory authority over the carrier. The commissioner and the group insurance
764 commission shall promulgate regulations to enforce sections 2, 3, 4 and 5.

765
766 **Enhancing Transparency of Health Care Insurance Cost Increases**

767
768 SECTION 21. The General Laws are hereby amended by inserting after chapter
769 176R the following chapter:-

770 **CHAPTER 176S**

771 **HEALTH INSURANCE RATE HEARINGS**

772 Section 1. As used in this chapter, the following words shall have the following
773 meanings, unless the context clearly requires otherwise:-

774 "Adjusted weighted average market premium price", the arithmetic mean of all
775 premium rates for a given prototype plan sold to eligible insureds with similar rate basis
776 type by all carriers selling prototype plans or alternative prototype plans in the
777 commonwealth, weighted pursuant to regulations promulgated by the commissioner.

778 "Alternative prototype plan", a health plan which meets the criteria established by
779 the commissioner and which is intended for sale under section 4 of chapter 176Q, to
780 eligible individuals and to eligible small groups, as defined in section 1 of chapter 176Q.

781 "Carrier", an insurer licensed or otherwise authorized to transact accident and
782 health insurance under chapter 175; a nonprofit hospital service corporation organized

783 under chapter 176A; a non-profit medical service corporation organized under chapter
784 176B; or a health maintenance organization organized under chapter 176G.

785 "Health plan", any individual, general, blanket or group policy of health, accident
786 or sickness insurance issued by an insurer licensed under chapter 175 or the laws of any
787 other jurisdiction; a hospital service plan issued by a nonprofit hospital service
788 corporation under chapter 176A or the laws of any other jurisdiction; a medical service
789 plan issued by a nonprofit hospital service corporation under chapter 176B or the laws of
790 any other jurisdiction; a health maintenance contract issued by a health maintenance
791 organization under chapter 176G or the laws of any other jurisdiction; and an insured
792 health benefit plan that includes a preferred provider arrangement issued under chapter
793 176I or the laws of any other jurisdiction. "Health plan" shall not include accident only,
794 credit-only, limited scope dental or vision benefits if offered separately, hospital
795 indemnity insurance policies if offered as independent, noncoordinated benefits which for
796 the purposes of this chapter shall mean policies issued pursuant to chapter 175 which
797 provide a benefit not to exceed \$500 per day, as adjusted on an annual basis by the
798 amount of increase in the average weekly wages in the commonwealth as defined in
799 section 1 of chapter 152, to be paid to an insured or a dependent, including the spouse of
800 an insured, on the basis of a hospitalization of the insured or a dependent, disability
801 income insurance, coverage issued as a supplement to liability insurance, specified
802 disease insurance that is purchased as a supplement and not as a substitute for a health
803 plan and meets any requirements the commissioner by regulation may set, insurance
804 arising out of a workers' compensation law or similar law, automobile medical payment
805 insurance, insurance under which benefits are payable with or without regard to fault and
806 which is statutorily required to be contained in a liability insurance policy or equivalent
807 self insurance, long-term care if offered separately, coverage supplemental to the
808 coverage provided under 10 U.S.C. chapter 55 if offered as a separate insurance policy,
809 or any policy subject to the provisions of chapter 176K. The commissioner may by
810 regulation define other health coverage as a health plan for the purposes of this chapter.

811

812 "Prototype plan", a health plan which meets the criteria established by the
813 commissioner.

814 "Rate basis type", each category of individual or family composition for which
815 separate rates are charged for a health benefit plan as determined by the carrier subject to
816 restrictions set forth in regulations promulgated by the commissioner.

817 Section 2. After a date established annually by the commissioner pursuant to
818 regulation, every carrier desiring to increase or decrease premiums for any health
819 insurance policy or desiring to set the initial premium for a new health insurance policy
820 under any health plan shall file its rates with the commissioner at least 90 days before the
821 proposed effective date of such new health insurance rates.

822 Section 3. Any increase in premium rates shall continue in effect for not less
823 than 12 months, except that an increase in benefits or decrease in rates may be permitted
824 at any time.

825 Section 4. A carrier shall annually report to the commissioner and to the health
826 care quality and cost council, established under section 16K of chapter 6A, no later than
827 May 1, the actual loss ratio calculated for each health plan for the previous calendar year.

828 Section 5. If a carrier files for an increase in premium of 7 per cent or more than
829 the premium previously charged for any rate classification or coverage, or if a carrier
830 files an initial premium request that is 7 per cent or more than the adjusted weighted
831 average market premium price, or if the attorney general files with the commissioner,
832 within 30 days of the carrier's filing, a preliminary determination that the benefits
833 provided in any health insurance policy are unreasonable in relation to the premium
834 charged, the commissioner shall initiate a hearing conducted pursuant to chapter 30A on
835 any such filing prior to its effective date on at least 10 days notice. The commissioner
836 may consolidate hearings for more than 1 carrier, and may consolidate hearings for
837 multiple health plans filed by one carrier. The carrier shall provide information on the
838 reasons for the proposed premium increase, and members of the public may testify. All
839 testimony and evidence received shall be public records. The commissioner may
840 promulgate guidelines to safeguard the confidentiality of contracts that establish rates
841 between insurers and institutional providers licensed under section 51 of chapter 111
842 which shall apply when the commissioner obtains such contracts under his authority in
843 section 8A of chapter 175 for purposes of a hearing under this section.

844

845 The attorney general shall have the authority to intervene in any hearing called for
846 under this paragraph.

847

848 Such requested premium increase or initial premium request shall be filed at least
849 90 days before the proposed effective date of such increase, and shall be communicated
850 to the insureds at least 90 days before the proposed effective date of such increase, in the
851 manner directed by the commissioner.

852

853 The rate filer shall advertise any public hearing conducted under this section in
854 newspapers in Boston, Brockton, Fall River, Pittsfield, Springfield, Worcester, New
855 Bedford and Lowell.

856

857 Within 30 days of the conclusion of any hearing initiated under this section, the
858 commissioner shall issue a report containing findings of fact from the evidence presented
859 in the carrier's filing and in the hearing. The findings of fact shall include, but shall not
860 be limited to:

861

1) the carrier's administrative expenses, including but not limited to the
862 carrier's salary structure, advertising and other marketing expenses, and
863 commissions, brokerage fees and other distribution expenses, as compared
864 to other carriers within and without the commonwealth;

865

2) the carrier's expenses related to health care contract, including but not
866 limited to the costs of services rendered by health care providers, the rates
867 at which it pays for such services and the volume of services provided;

868

869 3) the carrier's loss experience under the health plan, including evaluations
870 of the carrier's loss ratio and of utilization by the carrier's insureds, and of
871 identifiable cost drivers for that health plan, as compared to other carriers
872 within and without the commonwealth;

873

4) cost-sharing assumptions made in the health plan, including, but not
874 limited to, the use of deductibles, co-payments and coinsurance;

875

5) the carrier's provisions in the rates for reserves and surplus; and

876 6) the carrier's programs of cost containment, as compared to other carriers
877 within and without the commonwealth.

878 Nothing in this paragraph shall be construed to prohibit the attorney general from
879 publishing any report concerning a hearing under this section.

880

881 This section is not intended to alter any procedures for the approval or
882 disapproval of health plan rates provided elsewhere in the General Laws, except as
883 specifically provided herein.

884

885 The commissioner shall promulgate regulations to specify the conduct and
886 scheduling of the hearings required pursuant to this section, provided that any such
887 regulation shall facilitate adequate discovery of information related to the filed rates.

888

889

890 Section 6. The supreme judicial court shall have jurisdiction in equity upon the
891 petition of the attorney general, on behalf of the commissioner and upon a summary
892 hearing, to enforce all lawful orders of the commissioner.

893

894 Any person aggrieved by any final action, order, finding or decision of the
895 commissioner under this section may, within 20 days from the filing of such final action,
896 order, finding or decision in his office, file a petition in the supreme judicial court for the
897 county of Suffolk for a review of such action, order, finding or decision. The final action,
898 order, finding, or decision of the commissioner shall remain in full force and effect,
899 pending the final decision of the court, unless the court or a justice thereof after notice to
900 the commissioner shall by a special order otherwise direct. Review by the court on the
901 merits shall be limited to the record of proceedings before the commissioner. The court
902 shall have jurisdiction to modify, amend, annul, reverse or affirm such action, order,
903 finding or decision and shall uphold the commissioner's action, order, finding, or decision
904 if it is consistent with the standards set forth in paragraph 7 of section 14 of chapter 30A.

905 The court may make any appropriate order or decree and may make such order as to costs
906 as it deems equitable. The court may make such rules or orders as it deems proper

907 governing proceedings under this section to secure prompt and speedy hearings and to
908 expedite final decisions thereon.

909

910 Section 7. The commissioner may promulgate regulations to facilitate the
911 administration and enforcement of this chapter and to govern hearings and investigations
912 thereunder, and may issue such orders as he finds proper, expedient or necessary to
913 enforce and administer this chapter and to secure compliance with any rules and
914 regulations made thereunder.

915

916

Pharmaceutical Industry Gift Ban

917

918 SECTION 22. The General Laws are hereby amended by inserting after chapter
919 268B the following chapter:-

920

CHAPTER 268C

921

PHYSICIAN AND PHARMACEUTICAL MANUFACTURER CONDUCT

922

923 Section 1. As used in this chapter, the following words shall have the following
924 meanings:-

925

926 "Gift", a payment, entertainment, meals, travel, honorarium, subscription,
927 advance, services or anything of value, unless consideration of equal or greater value is
928 received. "Gift" shall not include anything of value received by inheritance, a gift
929 received from a member of the physician's immediate family or from a relative within the
930 third degree of consanguinity of the physician or of the physician's spouse or from the
931 spouse of any such relative, or prescription drugs provided to a physician solely and
932 exclusively for use by the physician's patients.

933

934 "Immediate family", a spouse and any dependent children residing in the
935 reporting person's household.

936

937 "Medical device", an instrument, apparatus, implement, machine, contrivance,
938 implant, in vitro reagent, or other similar or related article, including any component,
939 part, or accessory, which is: (1) recognized in the official National Formulary, or the
940 United States Pharmacopeia, or any supplement to them; (2) intended for use in the
941 diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or
942 prevention of disease, in man or other animals; or (3) intended to affect the structure or
943 any function of the body of man or other animals, and which does not achieve its primary
944 intended purposes through chemical action within or on the body of man or other animals
945 and which is not dependent upon being metabolized for the achievement of its primary
946 intended purposes.

947
948 "Person", a business, individual, corporation, union, association, firm, partnership,
949 committee, or other organization or group of persons.

950
951 "Pharmaceutical marketer", a person who, while employed by or under contract to
952 represent a pharmaceutical manufacturing company, engages in pharmaceutical detailing,
953 promotional activities or other marketing of prescription drugs in this state to any
954 physician, hospital, nursing home, pharmacist, health benefit plan administrator or any
955 other person authorized to prescribe, dispense, or purchase prescription drugs. The term
956 does not include a wholesale drug distributor licensed under section 36A of chapter 112,
957 a representative of such a distributor who promotes or otherwise markets the services of
958 the wholesale drug distributor in connection with a prescription drug, or a retail
959 pharmacist registered under section 37 of chapter 112 if such person is not engaging in
960 such practices under contract with a manufacturing company.

961
962 "Pharmaceutical manufacturing company", any entity which is engaged in the
963 production, preparation, propagation, compounding, conversion or processing of
964 prescription drugs, either directly or indirectly by extraction from substances of natural
965 origin, or independently by means of chemical synthesis or by a combination of
966 extraction and chemical synthesis, or any entity engaged in the packaging, repackaging,
967 labeling, relabeling or distribution of prescription drugs. The term does not include a

968 wholesale drug distributor licensed under section 36A of chapter 112 or a retail
969 pharmacist registered under section 37 of chapter 112.

970

971 "Pharmaceutical manufacturer agent", a pharmaceutical marketer or any other
972 person who for compensation or reward does any act to promote, oppose or influence the
973 prescribing of a particular prescription drug or medical device or category of prescription
974 drugs or medical devices. The term shall not include a licensed pharmacist, licensed
975 physician or any other licensed health care professional with authority to prescribe
976 prescription drugs who is acting within the ordinary scope of the practice for which he is
977 licensed.

978

979 "Physician", a person licensed to practice medicine by the board of
980 medicine under section 2 of chapter 112 who prescribes prescription drugs for any
981 person, or the physician's employees or agents.

982

983 "Prescription drugs", any and all drugs upon which the manufacturer or
984 distributor has placed or is required by federal law and regulations to place the following
985 or a comparable warning: "Caution federal law prohibits dispensing without
986 prescription."

987

988 Section 2. No pharmaceutical manufacturer agent shall knowingly and willfully
989 offer or give to a physician, a member of a physician's immediate family, a physician's
990 employee or agent, a health care facility or employee or agent of a health care facility, a
991 gift of any value and no physician, a member of a physician's immediate family, a
992 physician's employee or agent, a health care facility or employee or agent of a health care
993 facility shall knowingly and willfully solicit or accept from any pharmaceutical
994 manufacturer agent, a gift of any value.

995

996 Section 3. A person who violates this chapter shall be punished by a fine of not more
997 than \$5,000 or by imprisonment for not more than 2 years, or both.

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Expansion of Medical School Enrollment

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Primary Care Provider Medical Debt Relief

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UMass Medical Student Enhanced Learning Contract

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1031 SECTION 25. Notwithstanding any general or special law to the contrary, the
1032 trustees of the University of Massachusetts, in conjunction with the state health education
1033 center at the University of Massachusetts medical center, shall establish and maintain an
1034 enhanced learning contract program available to medical students every academic year.
1035 The program shall provide full waivers of tuition and fees at the University of
1036 Massachusetts medical school. The contract shall require payback service, so-called, of at
1037 least 4 years of service within the commonwealth in areas of primary care, public or
1038 community service, or underserved areas as determined by the center for primary care
1039 recruitment and placement and the learning contract committee, in coordination with the
1040 area health education center and state and regional health planning agencies. If a student
1041 does not perform payback service as required by an enhanced learning contract, that
1042 student shall pay the difference between the tuition paid and double the amount of the
1043 tuition charged together with an origination, or "O," fee, interest per annum at prime rate
1044 as reported at the time of origination by the Federal Reserve, a margin and repayment fee
1045 as set by the board. No payback service or tuition loan repayment shall be required prior
1046 to the termination of any internship and residency requirements. Interest shall begin to
1047 accrue upon completion of the requirement for the degree. The commonwealth shall bear
1048 the cost of such tuition and fee waivers for enhanced learning contracts. The dean of the
1049 medical school shall report annually on the number of students participating in enhanced
1050 learning contracts, the area of medicine within which payback will be performed, and the
1051 number of students utilizing the repayment option. The report shall also outline the
1052 effects of payback in the underserved areas of the commonwealth.

1053

1054 **Establishment of a Nursing and Allied Health Trust Fund**

1055 SECTION 26. (a) Notwithstanding any general or special law to the contrary,
1056 there is hereby established and set up on the books of the commonwealth a separate trust
1057 fund to be known as the Massachusetts Nursing and Allied Health Workforce
1058 Development Trust Fund, hereinafter referred to as the health care workforce trust fund,
1059 to which shall be credited any appropriations, bond proceeds or other monies authorized

1060 by the general court and specifically designated to be credited thereto, and additional
1061 funds including federal grants or loans, or private donations made available to the
1062 chancellor of higher education for this purpose. The board of higher education shall hold
1063 this trust fund in an account or accounts separate from other funds or accounts. Amounts
1064 credited to the fund shall be expended by the chancellor of higher education to carry out
1065 the purposes set forth in subsection (b). Expenditures from the fund shall not be subject
1066 to appropriation. Any balance in the trust fund at the close of a fiscal year shall be
1067 available for expenditure in subsequent fiscal years and shall not revert to the general
1068 fund.

1069 (b) The public purposes of the Massachusetts Nursing and Allied Health Workforce
1070 Development Trust Fund shall be to develop and support, in consultation with the
1071 Massachusetts Nursing and Allied Health Workforce Development Advisory Committee,
1072 short and long-term strategies that increase the number of Massachusetts public and
1073 private higher education faculty and students who participate in programs that support
1074 careers in fields related to nursing and allied health. The chancellor of higher education
1075 may expend from the health care workforce trust fund such administrative monies as may
1076 be necessary for the administration of the Massachusetts Nursing and Allied Health
1077 Workforce Development Initiative. In furtherance of these public purposes, the
1078 chancellor of higher education shall expend the health care workforce trust fund monies
1079 on activities that are calculated to increase the number of qualified nursing and allied
1080 health faculty and students in the commonwealth and improve the nursing and allied
1081 health educational offerings available in public higher education institutions. Grants and
1082 other disbursements and activities may involve, without limitation, the University of
1083 Massachusetts, state and community colleges, private higher education institutions in
1084 partnership with public higher education institutions, business and industry partnerships,
1085 regional alliances, workforce investment boards, 501(c)(3) organizations and other
1086 community groups which promote the nursing profession. Grants and other
1087 disbursements and activities may support, without limitation: (i) the goal of rapidly
1088 increasing the number of nurses and allied health workers (ii) enhancing the role of the
1089 system of public higher education, as institutions and in partnerships with other

1090 stakeholders, in meeting the short and long-term workforce challenges in the nursing and
1091 allied health professions; (iii) the development and use of innovative curricula, courses,
1092 programs and modes of delivering education in nursing and allied health professions for
1093 faculty and students in these fields; (iv) activities with the growing network of
1094 stakeholders in the nursing and allied health professions to create, implement, share and
1095 make broadly and publicly available best practices and innovative programs relative to
1096 instruction, development of partnerships and expanding and maintaining faculty and
1097 student involvement in careers in these fields; and (v) strengthening the institutional
1098 capacity to develop and implement long-term programs and policies to respond
1099 effectively to these challenges.

1100 **Housing Assistance Pilot Program for Health Care Professionals**

1101

1102 SECTION 27. Notwithstanding any general or special law to the contrary, the
1103 department of housing and community development, in consultation with the executive
1104 office of health and human services and the department of workforce development, shall
1105 establish a pilot program to help hospitals, community health centers, and physician
1106 practices provide housing grants or loans for health care professionals in underserved
1107 areas. The department shall establish an assisted housing fund that shall provide grants
1108 or loans for health care professionals who contract to provide care in underserved regions
1109 of the commonwealth and whose incomes do not exceed certain benchmarks, as
1110 established by the department. Grants and loans from the assisted housing fund shall be
1111 spent in the commonwealth and may be used for (i) the cost to purchase housing that is to
1112 be a principal residence, including cooperative housing, and falls within price guidelines
1113 established by the department, including costs for down payments, mortgage interest rate
1114 buy-downs, closing costs and other costs determined to be eligible by the department, and
1115 (ii) payments for security deposits and advance payments for rental housing. The
1116 department, subject to appropriation, shall contribute to the assisted housing fund \$1 for
1117 every \$2 expended by the hospital, community health center, and physician practice from
1118 the assisted housing fund as provided in this act. The assistance granted pursuant to this
1119 act shall be determined by the department. The department shall adopt written

1120 procedures for the establishment and operation of the assisted housing fund. Such
1121 procedures shall include provisions for eligibility and shall specify expenses for which
1122 grants and loans may be made and provide the documentation and procedures necessary
1123 to qualify for the assistance. 2 years after the commencement of the pilot program, the
1124 department shall report to the house and senate committees on ways and means, the joint
1125 committee on housing and the joint committee on health care financing, the results of the
1126 pilot program and shall recommend it for expansion, continuation or discontinuation.

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Report on Strategies to Increase Primary Care Workforce

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Commission on Health Insurer Reserves and Surpluses

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SECTION 29. (a) Notwithstanding any general or special laws to the contrary,
there shall be a special commission to examine options and alternatives available to the
Commonwealth with respect to the regulation, oversight and disposition of the reserves
and surpluses of health insurers.

1150 (b) The commission shall consist of the commissioner of insurance, who shall serve as
1151 chair; the secretary of administration and finance or his designee; the attorney general or
1152 his designee; the commissioner of the division of health care finance and policy or his
1153 designee; and 3 members appointed by the governor, including an actuary in good
1154 standing with the American Society of Actuaries, a health care consumer advocate, and a
1155 health economist.

1156 (c) This commission shall conduct a study that shall include, but shall not be limited to:

1157 (1) an analysis of the statutes, regulations and other measures currently in effect in this
1158 commonwealth which regulate the amount, nature and disposition of surpluses held by or
1159 for the benefit of health insurers in excess of amounts reasonably anticipated to be
1160 required to pay claims, taking into account the level of such reserves and surpluses
1161 necessary to safeguard the solvency of health insurers against unanticipated events and
1162 other circumstances which could cause extraordinary medical losses; (2) a review of
1163 recent fiscal practices and financial reporting by health insurers with respect to reserves
1164 and surpluses under the laws of the commonwealth; (3) a comparison of the
1165 commonwealth's current statutes and regulations with those of other states which the
1166 division deems to be reasonably comparable to those of the commonwealth; (4) a review
1167 and assessment of model acts and regulations and any other information which the
1168 division finds to be relevant to its inquiry; (5) a summary of alternative approaches to
1169 regulation of reserves and surpluses, including the disposition of amounts held by or on
1170 behalf of health insurers, with particular consideration of alternatives that would govern
1171 the use of those amounts to reduce premiums or to delay or to moderate premium
1172 increases; and (6) a review of how carriers fund community benefit programs, including,
1173 but not limited to, how such funding is regulated by other states as to the appropriate
1174 amount, monitoring and direction of such funding. In compiling this report, the division
1175 shall seek input from health plans operating in this commonwealth, the attorney general,
1176 the executive office of health and human services, and the health care quality and cost
1177 council, established under section 16K of section 6A of the General Laws.

1178 (d) For the purpose of conducting this study, the division may contract with an outside
1179 organization with expertise in fiscal analysis of the private insurance market. In
1180 conducting its examination, the organization shall, to the extent possible, obtain and use

1181 actual health plan data; but such data shall be confidential and shall not be a public
1182 record. The division shall report its findings and recommendations to the house and
1183 senate committee on ways and means and the joint committee on health care financing no
1184 later than January 1, 2009.

1185 (e) The commission shall meet no later than October 1, 2008 and shall file a report with
1186 the clerks of the senate and house of representatives no later than April 1, 2009.

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1188 **Ensuring Compliance with Hospital-Acquired Infection Rate Regulations**

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1190 SECTION 30. Notwithstanding any special or general law to the contrary, the
1191 department of public health, in consultation with the health care quality and cost council,
1192 shall promulgate regulations requiring hospitals, as a standard of eligibility for original
1193 licensure and renewal of licensure, to register with the National Healthcare Safety
1194 Network. Each hospital that registers with the National Healthcare Safety Network must
1195 grant access to the department and the Betsy Lehman center for patient safety and
1196 medical error reduction, in accordance with guidelines of the department to (1) healthcare
1197 associated infection data elements reportable to the National Healthcare Safety Network
1198 and (2) hospital specific reports generated by the National Healthcare Safety Network.
1199 Each registered hospital shall collect and submit to the National Healthcare Safety
1200 Network healthcare-associated infection data elements in accordance with guidelines of
1201 the department.

1202

1203

Massachusetts e-Health Advisory Committee

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1205 SECTION 31. Notwithstanding any special or general law to the contrary, there
1206 is hereby established a Massachusetts e-Health Advisory Committee to advise the
1207 Massachusetts e-health institute established in section 6.

1208

1209 (a) The members of the Massachusetts e-health advisory committee shall include
1210 the secretary of health and human services, who shall serve as the chair, the secretary of
1211 administration and finance or his designee, the executive director of the Massachusetts e-

1212 health institute, the executive director of the health care cost and quality council, and
1213 additional members to be appointed by the secretary to include persons representing local
1214 public health agencies, licensed hospitals and other licensed facilities and providers,
1215 private purchasers, the medical and nursing professions, physicians, health insurers and
1216 health plans, the state quality improvement organization, academic and research
1217 institutions, consumer advisory organizations with an interest and expertise in health
1218 information technology, and other stakeholders as identified by the secretary of health
1219 and human services.

1220

1221 (b) The committee shall prepare a statewide electronic health records plan that
1222 shall provide for the following:

1223

1224 (1) the establishment and implementation throughout the commonwealth of a
1225 statewide health information network that: (i) allows the seamless, secure, electronic
1226 sharing of health information among health care providers, health plans, and other
1227 authorized users; (ii) provides consumers with secure, electronic access to their own
1228 health information; (iii) meets data standards for interoperability adopted by the
1229 Massachusetts Technology Collaborative, including any standards providing for
1230 interoperability among other health information networks, in cooperation with the
1231 Massachusetts e-Health Initiative, the Massachusetts Health Data Consortium, MA-
1232 SHARE and other appropriate organizations; (iv) provides for interoperability with any
1233 health information technology product certified by the Massachusetts e-Health Institute;
1234 (v) meets privacy requirements; (vi) gives patients the option of allowing only designated
1235 health care providers to access their individually identifiable information concerning
1236 diagnosis and treatment of sexually transmitted diseases, addiction, and mental illnesses;
1237 (vii) provides such public health reporting capability as the Secretary of Health and
1238 Human Services requires; (viii) allows for such reporting of, and access to, health
1239 information for purposes of research (other than individually identifiable patient health
1240 information) as the Secretary of Health and Human Services requires; and (ix) allows for
1241 the reporting of provider-specific health information (other than individually identifiable

1242 patient health information) required for the calculation of any voluntary consensus
1243 standard endorsed by the National Quality Forum;

1244

1245 (2) the financing and technical assistance required to allow health care providers,
1246 especially small physician groups, to acquire and implement electronic medical records
1247 necessary to participate in the statewide health information network; and

1248

1249 (3) agreements among health care stakeholders regarding data reporting,
1250 reimbursement practices, or other mechanisms to use the statewide health information
1251 network to improve patient safety, quality, and efficiency within the health care system.

1252

1253 (c) The statewide electronic health records plan prepared under subsection (b)
1254 shall: (i) be developed with the participation and widespread support of all health care
1255 stakeholders, including but not limited to hospitals, practicing physicians (including those
1256 from small physician groups), nursing facilities and skilled nursing facilities, other health
1257 care providers, health plans, employers, and patient groups; (ii) describe the governance
1258 structure of the statewide health information network; (iii) describe the technologies and
1259 systems, including interoperability data standards, that will be used to establish a health
1260 information network consistent with paragraph (b)(1); (iv) explain what information will
1261 be able to be accessed, transferred, or exchanged through the health information network
1262 and what capabilities the network will have to include other types of information in the
1263 future; (v) describe plans to ensure network reliability, expected frequency of network
1264 interruptions, and backup procedures in the event of network interruptions; (vi) describe
1265 a financing model for long-term sustainability of the network that maximizes private
1266 funds; (vii) describe private sources of financing the acquisition, implementation, and
1267 maintenance of technology necessary to allow health care providers, especially small
1268 physician groups, to participate in the health information network; (viii) describe how
1269 the health information network will be used to improve health care quality and the health
1270 outcomes of patients; (ix) establish how administrative and clinical savings resulting
1271 from widespread use of the new health information network will be accounted for and
1272 allocated; (x) explain how the statewide health information organization involved will

1273 ensure widespread participation by health care providers (especially small physician
1274 groups) in the health information network and what support and assistance will be
1275 available to physicians seeking to integrate health information technologies into their
1276 practices; (xi) describe how patients and caregivers who are not health care providers
1277 will be able to access and utilize the health information network; (xii) explain how the
1278 statewide health information network will protect patient privacy and maintain security;
1279 and (xiii) explain how the statewide health information network will ensure the
1280 participation of health care providers serving minority communities, including
1281 communities in which English is not the primary language spoken.

1282

1283 (d) The secretary shall prepare and issue an annual report not later than January
1284 30 of each year outlining progress to date in implementing a statewide health information
1285 infrastructure and recommending future projects.

1286

1287 **Statewide Adoption of Computerized Physician Order Entry Systems**

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1289 SECTION 32. Notwithstanding any special or general law to the contrary, no
1290 later than October 1, 2012, the department of public health, in consultation with the
1291 health care quality and cost council, shall promulgate regulations requiring hospitals and
1292 community health centers, as a standard of eligibility for original licensure and renewal
1293 of licensure, to implement computerized physician order entry systems as defined by the
1294 department provided, however, that said product, system or network shall be certified by
1295 the Certification Commission for Healthcare Information Technology (CCHIT), or any
1296 successor agency or organization established for the purpose of certifying that health
1297 information technology shall meet national interoperability standards.

1298

1299 **Statewide Adoption of Electronic Health Records**

1300

1301 SECTION 33. Notwithstanding any special or general law to the contrary, no
1302 later than October 1, 2015, the department of public health, in consultation with the
1303 health care quality and cost council, shall promulgate regulations requiring hospitals and

1304 community health centers, as a standard of eligibility, for original licensure and renewal
1305 of licensure, to implement interoperable electronic health records systems, as defined by
1306 the department provided, however, that said product, system or network shall be certified
1307 by the Certification Commission for Healthcare Information Technology (CCHIT), or
1308 any successor agency or organization established for the purpose of certifying that health
1309 information technology shall meet national interoperability standards.

1310

1311 **Maximize Enrollment in the Senior Care Options Program**

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1313 SECTION 34. Notwithstanding any special or general law to the contrary, the
1314 executive office of health and human services shall maximize enrollment of eligible
1315 persons in the MassHealth Senior Care Options program, or comparable successor
1316 program, and shall develop a plan to offer similar coverage to Medicaid and Medicare-
1317 eligible disabled persons under age 65, hereinafter referred to as dual eligible plans.

1318

1319 Not later than 6 months after the effective date of this act, the executive office of health
1320 and human services shall prepare a report identifying clinical, administrative and
1321 financial barriers to expanded dual eligible plans, and recommending steps to remove the
1322 barriers and implement coverage for Medicaid and Medicare-eligible disabled persons
1323 under age 65. Before finalizing the report, the executive office shall hold a public
1324 consultative session that includes organizations representing seniors, organizations
1325 representing disabled persons, organizations representing health care consumers,
1326 organizations representing racial and ethnic minorities, health delivery systems and
1327 health care providers. The report shall include consideration of changes in procurement
1328 standards and MassHealth payment methodologies to promote enrollment in dual eligible
1329 plans. The report shall include estimates of the costs and benefits of implementing steps
1330 to remove barriers to expanded enrollment in dual eligible plans, including financial
1331 savings and improved quality of care.

1332

1333 The report shall be provided to the committee on health care financing, the house and
1334 senate committees on ways and means.

1335 Subject to appropriation, the executive office of health and human services shall
1336 implement the steps recommended by the report. Not later than 1 year following the
1337 filing of the report, the executive office shall issue a progress statement on expanded
1338 enrollment in dual eligible plans

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1340 **Registry and Sunset of Physician Letters of Exemption**

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1342 SECTION 35. Notwithstanding any general or special law or rule or regulation to
1343 the contrary, the department of public health shall, by July 1, 2009, establish a registry of
1344 exemptions granted by the department under section 6 of chapter 350 of the acts of 1993
1345 and the department's regulations to any person who filed with the department by
1346 December 23, 1993, a notice of intent to acquire medical, diagnostic or therapeutic
1347 equipment used to provide an innovative service or which is a new technology, as defined
1348 in section 25B of chapter 111 of the General Laws. All registered exemptions shall be
1349 non-transferable. After July 1, 2009, all exemptions qualifying for the registry
1350 established in this act that have not been registered with the department shall be null and
1351 void. Holders of registered exemptions for medical, diagnostic or therapeutic equipment
1352 not placed in regular service by July 1, 2009, shall, upon application, be eligible for an
1353 expedited determination of need process, as determined by the department. All
1354 exemptions granted by the department under said section 6 of said chapter 350 of the acts
1355 of 1993 and the department's regulations to any person who filed with the department by
1356 December 23, 1993, a notice of intent to acquire medical, diagnostic or therapeutic
1357 equipment used to provide an innovative service or which is a new technology shall
1358 expire on July 1, 2010, if the equipment for which the exemption was granted was not
1359 placed in regular service by July 1, 2009, and if no determination of need was granted by
1360 the department.

1361

1362 **Study of Medical Malpractice Insurance Premiums**

1363 SECTION 36. The division of insurance shall conduct an investigation and study
1364 of the costs of medical malpractice coverage for health care providers, as defined in
1365 section 193U of chapter 175. The investigation and study shall include, but shall not be

1366 limited to, examination and analysis of the following: (1) the availability and
1367 affordability of medical malpractice insurance; (2) the factors considered by medical
1368 malpractice insurers when increasing premiums; (3) options for decreasing premiums,
1369 including but not limited to establishing a reinsurance pool with additional stop loss
1370 coverage, subsidizing premium payments of providers practicing in certain high-risk
1371 specialties or in specialties where the cost of premiums represents a disproportionately
1372 high proportion of a health care provider's income, subsidizing premium payments of
1373 providers who do not qualify for group coverage rates and pay higher premiums for
1374 commercial market insurance and prorating premiums for providers who practice less
1375 than full time; and (4) funding mechanisms that would facilitate the implementation of
1376 recommendations arising out of the study, which may include, but which shall not be
1377 limited to, charges borne by the health care industry or other entities. The division shall
1378 hold at least 2 public hearings to take testimony relating to the investigation and study, 1
1379 of which shall be held outside the metropolitan Boston area. The division shall report its
1380 findings and recommendations to the house and senate committee on ways and means
1381 and the joint committee on health care financing no later than January 1, 2009.

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1383
1384 **Study of Medicaid Reimbursement Rates for Primary Care Providers**

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1386 SECTION 37. Notwithstanding the provisions of any general or special law, the
1387 medicaid advisory committee, established pursuant to section 6 of chapter 118E of the
1388 general laws, is hereby authorized and directed to conduct a study of the need for an
1389 increase in Medicaid rates and/or bonuses for primary care physicians, nurse
1390 practitioners, and subspecialists who provide primary care services such as preventive
1391 care, certain evaluation and management procedures, early periodic screening, diagnosis
1392 and treatment, and scheduled weekend and holiday services in order to focus on
1393 prevention and wellness and delivery of primary care to identify illness earlier, to better
1394 manage chronic disease, and to avoid costs associated with emergency room visits and
1395 hospitalizations. Said committee, in collaboration with the director, shall report,
1396 including recommendations for the amount of funding and the sources of funding to the

1397 joint committee on health care financing, the house and senate committees on ways and
1398 means with its recommendations not later than January 1, 2009.

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1400

Community Benefits Task Force

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1402 SECTION 38. There is hereby established the community benefits taskforce,
1403 which shall include the attorney general, the commissioner of public health, and other
1404 members as determined by the attorney general and which shall convene to conduct a
1405 study of the community benefits contributions by non-profit healthcare providers and
1406 insurers in the commonwealth. The study shall include, but shall not be limited to,
1407 examination and analysis of the following: (1) current community benefits programs,
1408 including but not limited to plans filed with the attorney general's voluntary community
1409 benefits program; (2) methods used to identify and define communities to be served by
1410 community benefit programs; (3) methods used to measure and evaluate the contributions
1411 by non-profit healthcare providers and insurers to various communities; (4) the
1412 administrative and technological needs of non-profit healthcare providers; and (5)
1413 potential collaborations between providers to fund improved administrative and
1414 technological support systems and information infrastructures as part of a statewide
1415 community benefits program, including but not limited to the creation of a statewide
1416 electronic medical records database and computerized physician order entry to improve
1417 access and the portability of health information. The task force shall hold at least 2
1418 public hearings to take testimony relating to the investigation and study, 1 of which shall
1419 be held outside the metropolitan Boston area. The task force shall report its findings and
1420 recommendations to the house and senate committee on ways and means and the joint
1421 committee on health care financing no later than January 1, 2009.

1422

1423

Effective Dates

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1425 SECTION 39. The enhanced learning contract program at the University of
1426 Massachusetts medical center required under section 25 of this act shall be established by
1427 the commencement of the 2008 academic year.

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SECTION 40. Section 11 shall take effect upon passage of this act. Any entity providing ambulatory surgical center services which is in operation or under construction on the day when section 53E of chapter 111 becomes effective shall be exempt from the determination of need requirement of said section 53E of said chapter 111 and shall be eligible for up to 6 months from the effective date of regulations promulgated by the department pursuant to section 53E of chapter 111 to make application to the department for a clinic license.

SECTION 41. The health care quality and cost council shall promulgate the regulations required under clause (i) of subsection (e) of section 16L of chapter 6A of the General Laws not later than October 1, 2009.

SECTION 42. The health care quality and cost council shall publish the never event occurrences as required under said clause (i) of said subsection (e) of said section 16L of said chapter 6A, as so appearing, on its consumer health information website not later than 1 year after the effective date of said clause (i).

SECTION 43. The department of public health shall promulgate regulations as necessary to implement section 4N of chapter 111 of the General Laws in accordance with chapter 30A not later than July 1, 2008.

SECTION 44. The department of public health shall begin implementing the outreach and education program established under said section 4N of said chapter 111 not later than January 1, 2009.

SECTION 45. The last sentence of subsection (m) of section 11A of chapter 13 as added by Section 4 shall take effect on January 1, 2015.

SECTION 46. Section 61 of chapter 118E is hereby amended by striking subsection (d) and inserting the following: - (d) The Executive Office and their

1459 subcontractors must accept and recognize all claims submitted by health care providers
1460 pursuant to and consistent with the provisions set forth in this section.

1461

1462 SECTION 47. Section 5A of chapter 176O is hereby amended by striking
1463 subsection (d) and inserting the following:- (d) Carriers and their subcontractors must
1464 accept and recognize all claims submitted by health care providers pursuant to and
1465 consistent with the provisions set forth in this section.

1466

1467 SECTION 48. Sections 46 and 47 shall take effect on July 1, 2012.

1468

1469 SECTION 49. Section 20 shall take effect on January 1, 2009.

1470

1471 SECTION 50. Section 30 shall take effect on October 1, 2008.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in the General Court assembled.

The undersigned, citizen of _____, respectfully petitions for the passage of the accompanying bill and for legislation.

TO PROMOTE COST CONTAINMENT, TRANSPARENCY AND EFFICIENCY IN
THE DELIVERY OF QUALITY HEALTH CARE

Therese Murray(T M0)	Plymouth and Barnstable
Richard Moore(RTM0)	Worcester and Norfolk
Mark Montigny(MCM0)	Second Bristol and Plymouth
Karen Spilka(KES0)	Second Middlesex and Norfolk
Steven Panagiotakos(SCP0)	First Middlesex
Robert O'Leary(ROL0)	Cape and Islands
Steven Tolman(SAT0)	Second Suffolk and Middlesex
Stephen Buoniconti(SJB0)	Hampden
Susan C. Fargo(SCF0)	Third Middlesex
Steven A. Baddour(SAB0)	First Essex