

**HOUSE . . . . . No. 992**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Thomas A. Golden, Jr.*

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

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to control costs of health care - mandate review.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>
<i>David M. Nangle</i>	<i>17th Middlesex</i>

**HOUSE . . . . . No. 992**

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By Mr. Golden of Lowell, a petition (accompanied by bill, House, No. 992) of Thomas A. Golden, Jr. and David M. Nangle for legislation to reduce the cost of coverage for small businesses by instituting reforms to the mandated health benefits. Health Care Financing.

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The Commonwealth of Massachusetts

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**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**  
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An Act to control costs of health care - mandate review.

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

1 SECTION 1. It shall be the policy of the general court to impose a moratorium on all new  
2 mandated health benefit legislation until the later of July 31, 2016, or until the rate of increase in  
3 the Consumer Price Index (CPI) for medical care services as reported by the United States  
4 Bureau of Labor Statistics remains at zero or below zero for two consecutive years.

5 SECTION 2. Section 38C of Chapter 3 of the General Laws is hereby amended by  
6 striking subsection (b) and inserting in its place thereof, the following new section:-

7 (b) Joint committees of the general court and the house and senate committees on ways  
8 and means shall not report favorably any bill or petition relative to mandated health benefits that  
9 shall not have first received a review and evaluation conducted by the center for health  
10 information and analysis pursuant to this section. Joint committees of the general court and the  
11 house and senate committees on ways and means shall refer all mandated health benefits bills or

12 petitions to an accompanied study order pending a final report by the center for health  
13 information and analysis pursuant to this section.

14 SECTION 3. Subsection (a) of section 38C of chapter 3 of the General Laws, is hereby  
15 amended by deleting the first paragraph in its entirety and inserting in place thereof the  
16 following:

17 Section 38C. (a) For the purposes of this section, a mandated health benefit proposal is  
18 one that mandates health insurance coverage for specific health services, specific diseases or  
19 certain providers of health care services or that affects the operations of health insurers in the  
20 administration of health insurance coverage as part of a policy or policies of group life and  
21 accidental death and dismemberment insurance covering persons in the service of the  
22 commonwealth, and group general or blanket insurance providing hospital, surgical, medical,  
23 dental, and other health insurance benefits covering persons in the service of the commonwealth,  
24 and their dependents organized under chapter 32A , individual or group health insurance policies  
25 offered by an insurer licensed or otherwise authorized to transact accident or health insurance  
26 organized under chapter 175 , a nonprofit hospital service corporation organized under chapter  
27 176A, a nonprofit medical service corporation organized under chapter 176B , a health  
28 maintenance organization organized under chapter 176G , or an organization entering into a  
29 preferred provider arrangement under chapter 176I , any health plan issued, renewed, or  
30 delivered within or without the commonwealth to a natural person who is a resident of the  
31 commonwealth, including a certificate issued to an eligible natural person which evidences  
32 coverage under a policy or contract issued to a trust or association for said natural person and his  
33 dependent, including said person's spouse organized under chapter 176M 21

34 SECTION 4. Subsection (d)(1) of section 38C of chapter 3 of the General Laws, is  
35 hereby amended by deleting the paragraph in its entirety and inserting in place thereof the  
36 following:

37 (1) the financial impact of mandating the benefit, including the extent to which the  
38 proposed insurance coverage would increase or decrease the cost of the treatment or service over  
39 the next 5 years, the extent to which the proposed coverage might increase the appropriate or  
40 inappropriate use of the treatment or service over the next 5 years, the extent to which the  
41 mandated treatment or service might serve as an alternative for more expensive or less expensive  
42 treatment or service, the extent to which the insurance coverage may affect the number and types  
43 of providers of the mandated treatment or service over the next 5 years, the effects of mandating  
44 the benefit on the cost of health care, particularly the premium, administrative expenses and  
45 indirect costs of municipalities, large employers, small employers, employees and nongroup  
46 purchasers, the potential benefits and savings to municipalities, large employers, small  
47 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost  
48 shifting between private and public payors of health care coverage, the cost to health care  
49 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed  
50 treatment, the impact on the state budget, given the requirement under the federal Patient  
51 Protection and Affordable Care Act for the state to defray the cost of benefit mandates passed  
52 after December 31, 2011, and the effect on the overall cost of the health care delivery system in  
53 the commonwealth.

54 SECTION 5. Chapter 12C of the General Laws is hereby amended by inserting the  
55 following new section:

56 Section 24 - Review and evaluation of regulatory changes on health insurance

57 Section 24 (a) For the purposes of this section, a mandated health benefit is a statutory or  
58 regulatory requirement that mandates health insurance coverage for specific health services,  
59 specific diseases or certain providers of health care services as part of a policy or policies of  
60 group life and accidental death and dismemberment insurance covering persons in the service of  
61 the commonwealth, and group general or blanket insurance providing hospital, surgical, medical,  
62 dental, and other health insurance benefits covering persons in the service of the commonwealth,  
63 and their dependents organized under chapter 32A , individual or group health insurance policies  
64 offered by an insurer licensed or otherwise authorized to transact accident or health insurance  
65 organized under chapter 175 , a nonprofit hospital service corporation organized under chapter  
66 176A , a nonprofit medical service corporation organized under chapter 176B , a health  
67 maintenance organization organized under chapter 176G , or an organization entering into a  
68 preferred provider arrangement under chapter 176I , any health plan issued, renewed, or  
69 delivered within or without the commonwealth to a natural person who is a resident of the  
70 commonwealth, including a certificate issued to an eligible natural person which evidences  
71 coverage under a policy or contract issued to a trust or association for said natural person and his  
72 dependent, including said person's spouse organized under chapter 176M.

73 (b) Joint committees of the general court and the house and senate committees on ways  
74 and means when reporting favorably on mandated health benefits bills referred to them shall  
75 include a review and evaluation conducted by the center for health information and analysis  
76 pursuant to this section.

77 (c) Upon request of a joint standing committee of the general court having jurisdiction or  
78 the committee on ways and means of either branch, the center for health information and analysis  
79 shall conduct a review and evaluation of the mandated health benefit proposal, in consultation  
80 with other relevant state agencies, and shall report to the committee within 90 days of the  
81 request. If the center for health information and analysis fails to report to the appropriate  
82 committee within 45 days, said committee may report favorably on the mandated health benefit  
83 bill without including a review and evaluation from the division.

84 (d) Any state agency or any board created by statute, including but not limited to the  
85 Board of the Commonwealth Connector, the Department of Health, the Division of Medical  
86 Assistance or the Division of Insurance that proposes to add a mandated health benefit by rule,  
87 bulletin or other guidance must request that a review and evaluation of that proposed mandated  
88 health benefit be conducted by the center for health information and analysis pursuant to this  
89 section. The report on the mandated health benefit by the center for health information and  
90 analysis must be received by the agency or board and available to the public at least 30 days  
91 prior to any public hearing on the proposal. If the center for health information and analysis fails  
92 to report to the agency or board within 45 days of the request, said agency or board may proceed  
93 with a public hearing on the mandated health benefit proposal without including a review and  
94 evaluation from the center.

95 (e) Any party or organization on whose behalf the mandated health benefit was proposed  
96 shall provide the center for health information and analysis with any cost or utilization data that  
97 they have. All interested parties supporting or opposing the proposal shall provide the center for  
98 health information and analysis with any information relevant to the center's review. The center  
99 shall enter into interagency agreements as necessary with the division of medical assistance, the

100 group insurance commission, the department of public health, the division of insurance, and  
101 other state agencies holding utilization and cost data relevant to the center 's review under this  
102 section. Such interagency agreements shall ensure that the data shared under the agreements is  
103 used solely in connection with the center 's review under this section, and that the confidentiality  
104 of any personal data is protected. The center for health information and analysis may also request  
105 data from insurers licensed or otherwise authorized to transact accident or health insurance under  
106 chapter 175 , nonprofit hospital service corporations organized under chapter 176A , nonprofit  
107 medical service corporations organized under chapter 176B , health maintenance organizations  
108 organized under chapter 176G , and their industry organizations to complete its analyses. The  
109 center for health information and analysis may contract with an actuary, or economist as  
110 necessary to complete its analysis.

111           The report shall include, at a minimum and to the extent that information is available, the  
112 following: (1) the financial impact of mandating the benefit, including the extent to which the  
113 proposed insurance coverage would increase or decrease the cost of the treatment or service over  
114 the next 5 years, the extent to which the proposed coverage might increase the appropriate or  
115 inappropriate use of the treatment or service over the next 5 years, the extent to which the  
116 mandated treatment or service might serve as an alternative for more expensive or less expensive  
117 treatment or service, the extent to which the insurance coverage may affect the number and types  
118 of providers of the mandated treatment or service over the next 5 years, the effects of mandating  
119 the benefit on the cost of health care, particularly the premium, administrative expenses and  
120 indirect costs of municipalities, large employers, small employers, employees and nongroup  
121 purchasers, the potential benefits and savings to municipalities, large employers, small  
122 employers, employees and nongroup purchasers, the effect of the proposed mandate on cost

123 shifting between private and public payors of health care coverage, the cost to health care  
124 consumers of not mandating the benefit in terms of out of pocket costs for treatment or delayed  
125 treatment, the impact on the state budget, given the requirement under the federal Patient  
126 Protection and Affordable Care Act for the state to defray the cost of benefit mandates passed  
127 after December 31, 2011, and the effect on the overall cost of the health care delivery system in  
128 the commonwealth; (2) the medical efficacy of mandating the benefit, including the impact of  
129 the benefit to the quality of patient care and the health status of the population and the results of  
130 any research demonstrating the medical efficacy of the treatment or service compared to  
131 alternative treatments or services or not providing the treatment or service; and (3) if the  
132 proposal seeks to mandate coverage of an additional class of practitioners, the results of any  
133 professionally acceptable research demonstrating the medical results achieved by the additional  
134 class of practitioners relative to those already covered and the methods of the appropriate  
135 professional organization that assures clinical proficiency.