



**For Immediate Release
January 24, 2011**

**CONTACT: Eric Linzer
617-338-2244**

MAHP Outlines Comprehensive Cost Control Package for 2011-2012 Legislative Session
Priority bills focus on health care cost control, improving quality & administrative simplification

Boston, MA – The Massachusetts Association of Health Plans (MAHP) today unveiled its legislative package for the 2011-2012, outlining a series of bills designed to control the cost of health care for consumers, employers, municipalities and the state, improve the quality of the health care system, and simplify the administration of health care.

"The continued increase in the cost of health care is a major concern for Massachusetts residents, businesses and elected officials, straining municipal and state budgets and inhibiting the ability of employers to create and grow jobs. Getting health care costs under control needs to focus on addressing the issues that are driving costs, because when the cost of health care goes up, so do premiums," said Lora Pellegrini, MAHP President & CEO. "MAHP's legislative agenda for the 2011-2012 session places a high priority on health care cost control. We are pleased with the interest that so many legislators, members of the business community, and consumer advocates have in containing health care costs and their support of these measures to make health care more affordable."

Among the bills that MAHP has filed for the current legislative session with sponsors include:

Controlling Health Care Costs: Study after study – from the Division of Insurance to the Division of Health Care Finance and Policy to last year's landmark report by the Attorney General – have noted that nearly 90 cents of every premium dollar is spent on medical costs, including hospital stays, doctor visits, and prescription drugs, with increases in the rates providers charge the major driver for premium increases. MAHP's legislative agenda seeks to control these costs to provide more affordable options and greater choice for consumers and employers.

- **Further Strengthen the Determination of Need Process:** establishes a statewide planning process to ensure services are located only where they are needed when evaluating proposed new facilities or expansion of services.
Sponsors: Sen. Michael Moore (D-Millbury), Rep. Ronald Mariano (D-Quincy), Rep. Michael Costello (D-Newburyport)
- **Hospital Billing and Licensure:** require hospitals that provide services at a new facility to obtain a new license and national provider identification number separate from the parent entity.
Sponsors: Rep. Ronald Mariano (D-Quincy), Rep. Michael Costello (D-Newburyport)
- **The Affordable Health Plan:** creates a more affordable option for small businesses, lowering premiums on comparable products by as much as 22%, by requiring health care providers and health insurers to share in the responsibility for holding down costs.
Sponsors: Sen. Michael Moore (D-Millbury), Rep. Michael Costello (D-Newburyport), Rep. Harriett Stanley (D-West Newbury)

– more –

- **Mandated Benefit Reform**: institutes a moratorium on new mandated benefits; allows for consumers and employers to choose mandate-lite products; requires DHCFP to study the fiscal impact of proposed mandated benefit bills on municipalities and small businesses; and applies mandate review to regulatory agencies. Add to the cost of health care and limit choice for employers and consumers.

Sponsors:

- Mandate Moratorium: Sen. Michael Moore (D-Millbury), Rep. Linda Dorcea Forry (D-Dorchester), Rep. Brad Jones (R-North Reading)
- Mandate-Lite Products: Sen. Anthony Petrucci (D-Boston), Rep. Aaron Michlewitz (D-Boston), Rep. Brad Jones (R-North Reading)
- Analyzing the Impact of Proposed Mandates on Municipalities & Small Businesses: Sen. Anthony Petrucci (D-Boston), Rep. Aaron Michlewitz (D-Boston), Rep. Brad Jones (R-North Reading)
- Applying Mandate Review to State Agencies: Sen. Anthony Petrucci (D-Boston), Rep. Joyce Spiliotis (D-Peabody), Rep. Brad Jones (R-North Reading)
- **All-MCO Model for MassHealth**: enrolls all Medicaid beneficiaries in a Medicaid health plan, improving the quality and continuity of care for MassHealth members while significantly reducing the Commonwealth's cost growth within the Medicaid program.
Sponsors: Sen. Michael Moore (D-Millbury), Rep. Michael Costello (D-Newburyport)
- **Limits on Out-of-Network Rates**: establishes a limit on rates that out-of-network providers may charge for services and prohibits providers from balance billing consumers.
Sponsor: Sen. Michael Moore (D-Millbury)
- **Review of Hospital Margins**: hospitals with operating margins in excess of 5% would be subject to a public hearing on the measures the institution is taking to reduce the cost of health care and improve the quality of care for patients.
Sponsors: Sen. Michael Moore (D-Millbury), Rep. Ronald Mariano (D-Quincy)

Additionally, several of these measures, as well as provisions to promote quality improvement and administrative simplification, were filed as part of an omnibus cost control bill by Representative Harriett Stanley (D-West Newbury).

Quality Improvement: Despite the continued growth in health care costs, the system remains widely inconsistent and is not yielding the highest quality or safety. The Commonwealth Fund's 2009 *State Scorecard* ranked each state on the overall performance of its health care system and showed the inconsistency in the level of care provided in Massachusetts. While the state ranked well on access, quality and equity of care, it ranked 33rd out of 50 states in avoidable hospitalizations and costs. MAHP's legislative agenda seeks to improve the quality of performance of the health care system, which can improve the cost of health care for consumers and employers.

- **Reduce Preventable Hospital Readmissions**: limits reimbursement to hospitals that have recurring preventable readmissions.
Sponsors: Rep. Joyce Spiliotis (D-Peabody)

- Reduce Duplicate Diagnostic Testing: seeks to eliminate duplicating diagnostic services performed on a patient in one facility by another hospital or diagnostic facility.
Sponsors: Rep. Joyce Spiliotis (D-Peabody)
- ER Overcrowding: requires all hospitals with ERs to file annually with the Department of Public Health a written operating plan to eliminate ER overcrowding.
Sponsors: Sen. Richard Moore (D-Uxbridge), Rep. Joyce Spiliotis (D-Peabody)

Administrative Simplification: Over the past several years, health plans have worked collaboratively with provider groups to streamline administrative process, such as credentialing, eligibility verification and coding, to simplify the administration of health care. While the emphasis needs to be on dealing with underlying health care costs, additional steps can be taken to reduce unnecessary costs and ensure the efficient use of limited health care dollars.

- A Central Repository for Claims Data: establishes DHCFP as the sole entity of the Commonwealth's health care data and require that all state agencies utilize this information for their health care data needs.
Sponsors: Sen. Karen Spilka (D-Ashland), Rep. Thomas Conroy (D-Wayland)
- Require Electronic Transmission of Health Care Transactions: requires all health care providers and group purchasers to exchange health care administrative transactions in electronic formats.
Sponsors: Sen. Richard Moore (D-Uxbridge)

The Massachusetts Association of Health Plans represents 13 health plans covering more than 2.3 million Massachusetts residents. It is dedicated to improving health for all in Massachusetts by promoting affordable, safe and coordinated health care.

###