



THE NEXT PHASE OF MASSACHUSETTS HEALTH CARE REFORM

The Massachusetts Senate is poised to address one of the greatest challenges of our generation: Reducing the growth in health care costs while improving health care quality and patient care. From 2009 to 2020, health spending is projected to double, outpacing both inflation and growth in the overall economy. The rapid rate of growth squeezes out other spending, for individual households, for businesses, for communities and in the state budget. That is why this effort is essential for our long-term economic competitiveness and for the health of our residents. This comprehensive bill will build on past reforms led by the Senate by:

Setting Health Care Cost Growth on a Sustainable Long-Term Path

- Establishes a statewide health care cost growth goal for the health care industry pegged to the growth in the economy. *This will result in over \$150 billion in savings over the next 15 years.*
- Supports health care professionals in developing innovative payment and care delivery models to reduce cost growth will improving patient care.
- Establishes tools to help health care providers meet these targets through market-based solutions- **not** through punitive government-imposed restrictions, regulations, or price caps.

Leading by Example

- Requires the state's medicaid program, the state's employee health care program, and all other state-funded health care programs to transition to new health care payment methodologies by 2014. These payment models incentivize the delivery of high- quality, coordinated, efficient and effective health care.
- Establishes a certification process for "Beacon ACOs" – health care provider systems dedicated to cost growth reduction, quality improvement and patient protection. These Beacon ACOs would receive a contracting preference in state-funded health care programs.
- Does **not** impose a "one-size fits all" mandate on the private health care marketplace.

Investing in a Healthy Future for the Commonwealth

Current trends indicate that the total financial impact on the state economy from preventable forms of chronic disease will reach \$62 billion by the year 2023. This must be addressed in order to meet the long-term health care cost growth goals. This bill:

- Dedicates \$100 million over the next 5 years in a historic investment in community-based prevention, public health, and wellness efforts to reduce the rates of costly preventable chronic diseases, such as obesity, diabetes, and asthma.
- Expands an existing wellness incentive program for small businesses offered by the Commonwealth Connector to provide a subsidy of up to 15% of premium costs.
- Requires the Department of Public Health to develop a "model guide" for wellness programs for businesses and to provide stipends to help businesses establish programs that improve health, reduce recidivism, and help control the growth in business health care premium costs.



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(continued) This comprehensive bill will build on past reforms led by the Senate by:

Improving Consumer Transparency of Health Care Costs

- Establishes new transparency tools to help consumers make health care purchasing decisions based on comparative cost and quality, including the ability to know up-front what the expected cost will be for health care services.

Building the Health Care System and Workforce for the 21st Century

- Dedicates \$100 million over the next 5 years in health information technology to build the health care system of the 21st century and to accelerate the on-going statewide adoption of interoperable electronic health records by the year 2015.
- Establishes a Health Care Workforce Transformation Fund to invest in the training, education, and skill development programs necessary to help workers succeed and flourish in the health care system of the future.

Increasing Access to Essential Care Services

- Expands the role of physician assistants and nurse practitioners to act as primary care providers in order to expand access to cost-effective care.
- Expands an existing workforce loan forgiveness program to include behavioral and mental health providers.

Promoting Administrative Simplification for Health Care Providers

- Requires the development of standard prior authorization forms, which would be available electronically, so that providers would use only one form for all payers.
- Streamlines data reporting requirement by designating a single agency as the secure data repository for all health care information reported to and collected by the state.

Enhancing Transparency of the Health Care Marketplace

- Charges the Attorney General to monitor trends in the health care market including consolidation in the provider market in order to protect patient access and quality.
- Develops a process to track price variation among different health care providers over time and establishes a Special Commission to determine and quantify the acceptable and unacceptable factors contributing to price variation among providers.

Reforming Medical Malpractice Laws

- Reduces unnecessary litigation and malpractice claims costs by creating a 180-day cooling off period while both side try to negotiate a settlement.
- Would clearly allow providers to offer an apology to a patient.