



## Quick Facts about Governor Patrick's Proposed Health Care Legislation

### Background:

In 2006, Massachusetts passed legislation to ensure universal health insurance coverage. Now, over 98% of Massachusetts residents now have health insurance. However, the costs of medical care continue to rise and this threatens the financial health of families and businesses across the state. To address this, Governor Patrick has proposed new legislation that would reform the way healthcare is paid for and delivered across the state.

### Components of Governor Patrick's proposed health reform bill:

- "Accountable Care Organizations" (ACOs)
  - Encourages the formation of integrated groups of health care providers that share responsibility for the quality and costs of their patients' medical care
  - Provides standards and assistance to guide the formation of ACOs
  - Calls for voluntary physician participation in ACOs. Primary care physicians may belong to only one ACO. Specialists may be part of multiple ACOs.
  - Transitions to state-wide system of ACOs by 2015
- Payment reform
  - Transitions to a system of alternative payment methods across the state by 2015: from fee-for-service to alternative payment methods, including global payments and shared savings
  - Encourages reimbursement based on quality rather than volume to decrease the rate of growth in medical costs across the state
  - Includes risk adjustment to account for different patient characteristics
- Coordinating Council
  - Creates a coordinating council of state leaders and an advisory committee of stake-holders, including payers, hospitals, physicians, and businesses
  - Supports pilot programs to test alternative payment methodologies
  - Oversees the implementation of delivery system and payment reforms by 2015
- Transparency
  - Mandates reporting of payer and provider costs, payments, and outcomes
- State oversight of rates
  - Increases regulation of insurance premium and provider reimbursement rates
- Medical malpractice
  - Mandated conflict resolution process before patients file lawsuits
    - Claimant must, within 180 days, send a letter to providers regarding claim and factual basis for it. The provider then responds to this claim in writing within 90 days.
    - If this does not resolve the matter, the claimant may file a lawsuit.
  - Makes providers' apologies inadmissible as evidence in litigation

**Text of bill:** <http://www.mass.gov/Agov3/docs/Legislation/PaymentReformLegislation.pdf>

### Timeline:

Bill filed: February 17, 2011

First hearing: May 16, 2011