

SENATE No. 1768

The Commonwealth of Massachusetts

SENATE, April 3, 1989.

The committee on Insurance, to whom was referred the petition (accompanied by bill, Senate, No. 732) of Francis D. Doris for legislation relative to certain corrective changes in the law concerning false health care claims, reports the accompanying bill (Senate, No. 1768).

For the committee,

FRANCIS D. DORIS.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Nine.

AN ACT RELATIVE TO CERTAIN CORRECTIVE CHANGES TO CHAPTER 295 OF THE ACTS OF 1988.

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. Section 3 of chapter 175H of the General Laws,
2 as recently enacted by chapter 295 of the acts of 1988, is hereby
3 amended by adding at the end thereof, the following paragraph:

4 This section shall not apply to:

5 (A) a discount or other reduction in price obtained by a
6 provider of services or other entity under this chapter if the
7 reduction in price is properly disclosed and appropriately reflected
8 in the costs claimed or charges made by the provider or entity
9 under this chapter or to any amount paid by an employer to an
10 employee, who has a bona fide employment relationship with such
11 employer, for employment in the provision of covered items or
12 services.

13 (B) any amount paid by an employer to an employee, who has
14 a bona fide relationship with such employer, for employment in
15 the provision of covered items or services.

16 (C) any amount paid by a vendor of goods or services to a
17 person authorized to act as purchasing agent for a group of
18 individuals or entities who are furnishing services if—

19 (i) the person has a written contract, with each such individual
20 or entity which specifies the amount to be paid the person, which
21 amount may be a fixed amount or a fixed percentage of the value
22 of the purchases made by each such individual or entity under
23 the contract, and

24 (ii) in the case of an entity that is a provider of services, the
25 person discloses to the entity the amount received from each such
26 vendor with respect to purchases made by or on behalf of the
27 entity.

28 (D) any payment practice specified by the secretary of health
29 and human services in regulations promulgated pursuant to
30 section 14(a) of Public Laws 100-93, the so-called federal medicare
31 and medicaid patient and program protection act of 1987; and

32 (E) Prescription drug samples, items of nominal value and
33 promotional materials and offerings, provided that such samples,
34 items, materials or offerings are consistent with the provisions of
35 the Federal Food Drug and Cosmetic Act.

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