

HOUSE No. 347

By Mr. Kennedy of Brockton, petition of Thomas P. Kennedy for legislation to regulate the setting of rates for nursing homes by the Rate Setting Commission. Health Care.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT RELATIVE TO THE RATE SETTING PROCESS FOR NURSING HOMES.

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

1 Chapter 6A, Section 32 of the General Laws, as appearing in
2 the 1986 Official Edition, is hereby amended by inserting after line
3 69 the following: — in determining rates to be paid by
4 governmental units to nursing home providers, the commissioner
5 must adjust historical costs by a Massachusetts-specific cost
6 adjustment factor, reflective of actual cost escalations experienced
7 by nursing home providers. In addition, the commission shall
8 develop a six month review mechanism for evaluating the efficacy
9 of such cost adjustment factor to reflect real cost increases and
10 shall develop a means for adjusting the cost adjustment factor,
11 both retrospectively and prospectively, when such variations are
12 shown. In particular, rate adjustments must accurately reflect
13 actual cost increases pertaining to escalations in labor costs.

