

By Mr. Buglione of Methuen, petition of Nicholas J. Buglione and Stephen J. Karol that provision be made for the establishment of class rates to be paid to providers of health care services. Health Care.

The Commonwealth of Massachusetts

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

AN ACT PROVIDING FOR THE ESTABLISHMENT OF CLASS RATES TO BE PAID TO PROVIDERS OF HEALTH CARE SERVICES.

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 32 of Chapter 6A of the General Laws is hereby
2 amended by adding thereto the following: —

3 “A fair, reasonable and adequate rate to be paid by each
4 governmental unit to providers of health care services shall, to the
5 extent not inconsistent with the principles of reimbursement for
6 provider costs in effect from time to time under Titles XVIII and
7 XIX of the Social Security Act, be determined so as to fully and
8 adequately compensate the provider for his allowable operating
9 expenses, reasonable return on investment, and profit. The Com-
10 mission shall conduct surveys of provider operational data at least
11 once every three years and shall consider inflation factors each
12 year in determining the rates to be paid by governmental units to
13 providers of services.

14 In determining such rates, the Commission may establish a rate
15 to be paid to a class of providers based upon reasonably accepted
16 accounting and statistical principles. Such class rates shall be
17 deemed adequate if the rate compensates 75 percent of the provid-
18 ers in each class for their allowable operating expenses, reasonable
19 return on investment and profit.

20 Whenever the Commission has established a rate to be paid to a
21 class of providers, any member or representative of said class
22 claiming that said class is aggrieved by such class rate and desiring

23 a review thereof may within thirty days after the said rate is filed
24 with the state secretary file an appeal with the Division of Hearings
25 Officers established by Section 4H of Chapter 7. On an appeal
26 from such class rate, the Division of Hearings Officers shall con-
27 duct an adjudicatory proceeding in accordance with the provisions
28 of Chapter 30A and the appeal shall, except as expressly contained
29 herein, proceed pursuant to the provisions of Section 36 of Chap-
30 ter 6A of the General Laws. On the appeal the Division shall
31 determine whether the rate established by the Commission for the
32 class of providers is adequate, fair and reasonable for such class
33 based upon the standards set forth in this Section, and whether
34 such rate has been promulgated in accordance with the procedures
35 for determining rates contained in this Section. Any member or
36 representative of the class claiming that said class is aggrieved by
37 the decision of the Commission after appeal to the Division may,
38 within 30 days of the receipt of such decision, file a petition for
39 review in Superior Court for the County of Suffolk, which shall
40 have exclusive jurisdiction thereof.

41 In addition to the standards for judicial review set forth in
42 paragraph 7 of Section 14 of Chapter 30A of the General Laws, the
43 Court shall set aside such class rate if it determines that the
44 Commission has failed to comply with the procedures for deter-
45 mining rates contained in this Section.

46 In determining rates to be paid by governmental units to provid-
47 ers of services, the providers' participation in any public health
48 care programs shall not be considered in determining the reasona-
49 bleness, fairness or adequacy of any rate."