

By Mr. Kennedy of Brockton, petition of Thomas P. Kennedy for legislation to further regulate contractual arrangements of medical service corporations. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

AN ACT FURTHER REGULATING MEDICAL SERVICE CORPORATIONS' CONTRACTUAL ARRANGEMENTS.

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 4 of chapter 176B of the General Laws, as appearing
2 in the 1990 Official Edition, is hereby further amended by striking
3 out the first paragraph and inserting in place thereof the following
4 paragraph: —

5 Any medical service corporation may enter into contracts,
6 agreements, and arrangements with its subscribers, and with
7 participating physicians, chiropractors, nurse midwives,
8 optometrists, dentists, podiatrists, psychologists, licensed
9 independent clinical social workers, certified clinical specialists in
10 psychiatric and mental health nursing, and other providers of
11 health services licensed under the laws of the Commonwealth for
12 such medical, chiropractic, visual, surgical, midwifery, mental
13 health, and other health and health care services as may lawfully
14 be rendered by them to subscribers and their dependents and to
15 other covered persons and shall make payment for such services
16 either directly to participating providers or to non-participating
17 providers if the subscriber or covered person is covered by a
18 Preferred Provider Organization, as provided for in this chapter.
19 The form of any and all contracts, agreements, and arrangements
20 with such participating physicians, chiropractors, nurse midwives,
21 optometrists, dentists, podiatrists, psychologists, licensed
22 independent clinical social workers, certified clinical specialists in

23 psychiatric and mental health nursing, and other providers of
24 health and health care services shall at all times be subject to the
25 written approval of the commissioner, provided, however, that no
26 participating provider shall be denied the right to enter into any
27 contract, agreement, or arrangement with any medical service
28 corporation by reason of any unfair or arbitrary discrimination;
29 and provided further that no such form of contract, agreement,
30 or arrangement shall contain or be allowed by the commissioner
31 to continue to contain any provision permitting such medical
32 service corporation to invoke or apply with respect to any
33 participating provider the so-called "unit system" or any other
34 similar provision authorizing or allowing the reduction or
35 proration of payments to participating providers for services to
36 subscribers, covered dependents or covered persons below the
37 amounts specified in the medical service corporation's fee
38 schedules or reimbursement schedules in effect at the time the
39 provider's services are rendered. The methods of compensating
40 such physicians, chiropractors, nurse midwives, optometrists,
41 dentists, podiatrists, psychologists, licensed independent clinical
42 social workers, certified clinical specialists in psychiatric and
43 mental health nursing, and other providers of health or health care
44 services for their services to subscribers, covered dependents and
45 covered persons shall at all times be consistent with the applicable
46 form of contract, agreement or arrangement approved by the
47 commissioner and subject to the written approval of the
48 commissioner.