

By Mr. O'Brien of Fall River, petition of James A. O'Brien, Jr., for a change in the law relative to regulating hospital rates established by the Rate Setting Commission. Social Welfare.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Seventy-Three.

**AN ACT RELATIVE TO THE RATE SETTING COMMISSION.**

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

1 General Laws, chapter seven, section thirty L is amended by  
2 striking the sixth paragraph and inserting before the present  
3 seventh paragraph the following:

4 "Each rate established by the commission shall be deemed a  
5 regulation and shall be reviewable as hereinafter provided. The  
6 commission shall promulgate rules and regulations for the  
7 administration of its duties and the determination of rates as  
8 herein required subject to the procedures prescribed by chapter  
9 thirty A. Every rate, classification and other regulation estab-  
10 lished by the commission shall be consistent where applicable  
11 with the principles of reimbursement for provider costs in  
12 effect from time to time under titles XVIII and XIX of the  
13 social security act governing reimbursements or grants available  
14 to the commonwealth, its departments, agencies, boards, com-  
15 missions or political sub-divisions for general health supplies,  
16 care, services and accomodations.

17 In establishing regulations and rates for payment to providers  
18 of beneficiaries of programs of assistance in which the depart-  
19 ment of public welfare is the administrator, state or federal,  
20 the commission shall be subject to the administration of said  
21 department and shall obtain approval of all regulations and  
22 rates before filing the same with the state secretary.

23 For each provider of general health supplies, care, services  
24 and accomodations to the commonwealth, its departments,  
25 agencies, boards, commissions or political subdivisions, that is  
26 also a provider under title XVIII of the social security act, the

27 commission shall for the purpose of continuity of accounting  
28 and the avoidance of the expense of duplication, use the same  
29 standards, cost reporting forms, cost reimbursement principles  
30 and method of cost apportionment currently used in com-  
31 puting reimbursement to said provider under title XVIII and  
32 shall use the same cost report required of each provider by the  
33 social security act for reimbursement of the provider under  
34 title XVIII, which each provider shall furnish to the commis-  
35 sion. The commission shall establish the same interim rate of  
36 payment to a provider for similar or equivalent services under  
37 title XIX as a provider receives as payment for services under  
38 title XVIII less nursing salary differential and other required  
39 adjustment by the secretary of health, education, and welfare,  
40 and the commission shall accept the audit of said title XVIII  
41 providers by the social security administration, or its agents,  
42 for its audit of said providers under title XIX for all purposes.  
43 The commission shall, prior to the establishment of any rate,  
44 classification or other regulation herein referred to, file a copy  
45 of the same with the budget director and with the house and  
46 senate committees on ways and means.”