

Massachusetts Health Care Reform



Massachusetts Department of Public Health
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Brief History

- 1977—Rate Setting Commission
- 1982—All Payer Rate Setting
- 1988—Universal health care law (*Dukakis*)
 - Hospital rates set at medical inflation + 3%
 - Employer mandate deferred until 1992
- 1991—Hospital deregulation
 - 1988 employer mandate repealed
- 2006—Chapter 58
- 2008—Chapter 305
- 2012—Chapter 224

Chapter 58, 2006 (*model for PPACA*)

- Expanded access—universal coverage goal
 - MassHealth (Medicaid) expansion
 - Established “Connector” health exchange
 - Insurance Market reforms
 - Guaranteed issue
 - Community rating
 - Risk pool consolidation
- “Shared responsibility”
 - Individual mandate
 - Employer requirements

Chapter 305, 2008

- Cost containment & delivery system improvements:
 - CPOE by 2012; Electronic medical records by 2015
 - Uniform billing & coding standards
 - Pharmaceutical gift ban
 - HAI reporting and ban on payments for “never events”
 - Drug detailing program
 - Health Care Workforce Center
- Created Special Commission on Health Care Payment System
 - 2009 report recommended global payment system and increased transparency

Chapter 224, 2012: Cost containment and quality improvement

- Payment and delivery system reforms
 - Health care cost growth cap
 - Alternative payments to replace fee-for-service
 - ACO incentives
 - MassHealth, GIC, Connector mandates

- Prevention and Wellness
 - Prevention & Wellness Trust (\$60M over 4 years)
 - Wellness tax credit
 - Wellness guide

Chap. 224 (more)

- Integrated Care
 - All Payer Claims Database
 - HIE-HIT
 - Enhanced payments for PCPs
 - Safety net hospital initiative
- Malpractice reform—“cooling off period”
- Address market power
 - Health Policy Council market impact review
 - Attorney General investigation power
 - Insurance rate provisions, e.g., MLR caps
- Consumer engagement
 - Transparency information on prices, services
 - “Smart tier” plans
- Health Planning

DPH roles in 224 implementation

- Prevention and Wellness Trust
- Workplace Wellness tax credit & guide
- Health Planning
- Workforce Provisions
 - Primary care residency grant program
 - CHC loan forgiveness, etc.
 - Provider scope of practice regulatory changes
- Additional Regulatory reforms
 - Determination of Need
 - Limited Service clinics, etc.
- Boards, commissions, operational reorganizations