

ML Strategies Alert

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MA Senate Passes Health Care Payment Reform Legislation

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After two days of debate that featured consideration of 265 amendments, the Massachusetts Senate last week voted 35-2 to approve health care payment reform legislation. The Senate bill anticipates medical cost savings of \$150 billion over 15 years through the adoption of alternative payment methodologies and delivery models. Immediately after the vote, Senate President Therese Murray declared, "Once again we lead the nation."

The Senate bill now moves to the House of Representatives, which released its version of health care payment reform earlier this month but has yet to debate it. The Senate and House bills propose vastly different approaches to containing medical costs, and the branches will eventually appoint a six-member conference committee to resolve the differences. For more information about the proposed bills, including their differences, see our May 10 ML Strategies alert.

Senate Amendment Highlights

The Senate's two-day debate resolved 265 proposed amendments. The Senate:

- Affirmed support for limiting health care cost growth to no higher than the annual growth of the state's economy;
- Rejected an attempt to study whether a single-payer health care system would be a more effective long-term model for cost containment;
- Affirmed support for a proposed \$40 million surcharge on insurers that senators say will help fund medical record enhancements and improve medical prevention efforts;
- Granted expanded authority to the Attorney General to track pricing variations; and
- Funded community hospitals to more effectively serve patients in need.

ML Strategies will monitor the House payment reform debate, as well as the eventual conference committee, and report updates on this issue.

Please click on the links below to see copies of the House and Senate bills.

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House Bill 4070

Senate Bill 2260

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