

[Mass. Gen. Laws ch. 6D, § 1.]

§ 1. Definitions: Health Policy Commission

Section 1. As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:--

"Actual costs", all direct and indirect costs incurred by a hospital or a community health center in providing medically necessary care and treatment to its patients, determined under with generally accepted accounting principles.

"Acute hospital", the teaching hospital of the University of Massachusetts Medical School and any hospital licensed under section 51 of chapter 111 and which contains a majority of medical-surgical, pediatric, obstetric and maternity beds, as defined by the department of public health.

"Accountable care organization" or "ACO", a provider organization certified under section 15.

"ACO participant", a health care provider that either integrates or contracts with an ACO to provide services to ACO patients.

"ACO patient", an individual who chooses or is attributed to an ACO for medical and behavioral health care, for whom such services are paid by the payer to the ACO.

"After-hours care", services provided in the office during regularly scheduled evening, weekend or holiday office hours, in addition to basic service.

"Allowed amount", the contractually agreed upon amount paid by a payer to a health care provider for health care services provided to an insured.

"Alternative payment contract", any contract between a provider or provider organization and a health care payer payer which utilizes alternative payment methodologies.

"Alternative payment methodologies or methods", methods of payment that are not solely based on fee-for-service reimbursements; provided that, "alternative payment methodologies" may include, but shall not be limited to, shared savings arrangement, bundled payments and global payments; provided further, that "alternative payment methodologies" may include fee-for-service payments, which are settled or reconciled with a bundled or global payment.

"Carrier", an insurer licensed or otherwise authorized to transact accident or health insurance under chapter 175; a nonprofit hospital service corporation organized under chapter 176A; a nonprofit medical service corporation organized under chapter 176B; a health maintenance organization organized under chapter 176G; and an organization entering into a preferred provider arrangement under chapter 176I; provided, that this shall not include an employer purchasing coverage or acting on behalf of its employees or the employees of 1 or more subsidiaries or affiliated corporations of the employer; provided that, unless otherwise noted, the term "carrier" shall not include any entity to the extent it offers a policy, certificate or contract that provides coverage solely for dental care services or visions care services.

"Center", the center for health information and analysis established under chapter 12C.

"Charge", the uniform price for specific services within a revenue center of a hospital.

"Child", a person who is under 18 years of age.

"Community health centers", health centers operating in conformance with the requirements of Section 330 of United States Public Law 95-626 and shall include all community health centers which file cost reports as requested by the commission.

"Commission", health policy commission established by section 2.

"Comprehensive cancer center", the hospital of any institution so designated by the national cancer institute under the authority of 42 U.S.C. sections 408(a) and 408(b) organized solely for the treatment of cancer, and offered exemption from the medicare diagnosis related group payment system under 42 C.F.R. 405.475(f).

"Dependent", the spouse and children of any employee if such persons would qualify for dependent status under the Internal Revenue Code or for whom a support order could be granted under chapters 208, 209 or 209C.

"Disproportionate share hospital", any acute hospital that exhibits a payer mix where a minimum of 63 per cent of the acute hospital's gross patient service revenue is attributable to Title XVIII and Title XIX of the Federal Social Security Act, other government payors and free care. "Emergency services", medically necessary health care services provided to an individual with an emergency medical condition.

"Employee", a person who performs services primarily in the commonwealth for remuneration for a commonwealth employer. A person who is self-employed shall not be deemed to be an employee.

"Employer", an employer as defined in section 1 of chapter 151A.

"Executive director", the executive director of the health policy commission.

"Executive office", executive office of health and human services.

"Facility", a licensed institution providing health care services or a health care setting, including, but not limited to, hospitals and other licensed inpatient centers, ambulatory surgical or treatment centers, skilled nursing centers, residential treatment centers, diagnostic, laboratory and imaging centers, and rehabilitation and other therapeutic health settings.

"Fee-for-service", a payment mechanism in which all reimbursable health care activity is described and categorized into discreet and separate units of service and each provider is separately reimbursed for each discrete service rendered to a patient.

"Fiscal year", the 12 month period during which a hospital keeps its accounts and which ends in the calendar year by which it is identified.

"Global payment", a payment arrangement where spending targets are established for a comprehensive set of health care services for the care that a defined population of patients may receive in a specified period of time.

"Governmental unit", the commonwealth, any department, agency board or commission of the commonwealth, and any political subdivision of the commonwealth.

"Gross patient service revenue", the total dollar amount of a hospital's charges for services rendered in a fiscal year.

"Gross state product", the total annual output of the Massachusetts economy as measured by the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product by State series.

"Growth rate of potential gross state product", the long-run average growth rate of the commonwealth's economy, excluding fluctuations due to the business cycle, as established under section 7H1/2 of chapter 29.

"Health benefit plan", as defined in section 1 of chapter 176J.

"Health care cost growth benchmark," the projected annual percentage change in total health care expenditures in the commonwealth, as established in section 9.

"Health care entity", a provider, provider organization or carrier.

"Health care provider", a provider of medical or health services or any other person or organization that furnishes, bills or is paid for health care service delivery in the normal course of business.

"Health care services", supplies, care and services of medical, behavioral health, substance use disorder, mental health, surgical, optometric, dental, podiatric, chiropractic, psychiatric, therapeutic, diagnostic, preventative, rehabilitative, supportive or geriatric nature including, but not limited to, inpatient and outpatient acute hospital care and services; services provided by a community health center home health and hospice care provider, or by a sanatorium, as included in the definition of "hospital" in Title XVIII of the federal Social Security Act, and treatment and care compatible with such services or by a health maintenance organization.

"Health insurance company", a company, as defined in section 1 of chapter 175, which engages in the business of health insurance.

"Health insurance plan", the medicare program or an individual or group contract or other plan providing coverage of health care services and which is issued by a health insurance company, a hospital service corporation, a medical service corporation or a health maintenance organization.

"Health maintenance organization", a company which provides or arranges for the provision of health care services to enrolled members in exchange primarily for a prepaid per capita or aggregate fixed sum as further defined in section 1 of chapter 176G.

"Health status adjusted total medical expenses", the total cost of care for the patient population associated with a provider group based on allowed claims for all categories of medical expenses and all non-claims related payments to providers, adjusted by health status, and expressed on a per member per month basis, as calculated under section 8 of chapter 12C.

"Hospital", any hospital licensed under section 51 of chapter 111, the teaching hospital of the University of Massachusetts Medical School and any psychiatric facility licensed under section 19 of chapter 19.

"Hospital service corporation", a corporation established to operate a nonprofit hospital service plan as provided in chapter 176A.

"Medicaid program", the medical assistance program administered by the office of Medicaid under chapter 118E and under Title XIX of the Federal Social Security Act or any successor statute.

"Medical assistance program", the medicaid program, the Veterans Administration health and hospital programs and any other medical assistance program operated by a governmental unit for persons categorically eligible for such program.

"Medical service corporation", a corporation established for the purpose of operating a nonprofit medical service plan as provided in chapter 176B.

"Medicare program", the medical insurance program established by Title XVIII of the Federal Social Security Act.

"Net cost of private health insurance", the difference between health premiums earned and benefits incurred, which shall consist of: (i) all categories of administrative expenditures, as included in medical loss ratio regulations promulgated by the division of insurance; (ii) net additions to reserves; (iii) rate credits and dividends; and (iv) profits or losses, or as otherwise defined by regulations promulgated by the center under chapter 12C.

"Non-acute hospital", any hospital which is not an acute hospital.

"Patient", any natural person receiving health care services from a hospital.

"Patient-centered medical home", a model of health care delivery designed to provide a patient with a single point of coordination for all their health care, including primary, specialty, post-acute and chronic care, which is (i) patient-centered; (ii) comprehensive, integrated and continuous; and (iii) delivered by a team of health care professionals to manage a patient's care, reduce fragmentation and improve patient outcomes.

"Patient decision aid", an interactive, written or audio-visual tool that provides a balanced presentation of the condition and treatment or screening options, benefits and harms, with attention to the patient's preferences and values.

"Payer", any entity, other than an individual, that pays providers for the provision of health care services; provided, that "payer" shall include both governmental and private entities; provided further, that "payer" shall not include excludes ERISA plans.

"Performance improvement plan," a plan submitted to the commission by a carrier, a provider or a provider organization under section 10.

"Performance incentive payment" or "pay-for-performance", an amount paid to a provider by a payer for achieving certain quality measures as defined in this chapter.

"Performance penalty", a reduction in the payments made by a payer to a provider for failing to achieve certain quality measures as defined in this chapter.

"Physician", a medical or osteopathic doctor licensed to practice medicine in the commonwealth.

"Primary care physician", a physician who has a primary specialty designation of internal medicine, general practice, family practice, pediatric practice or geriatric practice.

"Primary care provider", a health care professional qualified to provide general medical care for common health care problems, who supervises, coordinates, prescribes or otherwise provides or proposes health care services, initiates referrals for specialist care and maintains continuity of care within the scope of practice.

"Private health care payer", (i) a carrier authorized to transact accident and health insurance under chapter 175, (ii) a nonprofit hospital service corporation licensed under chapter 176A, (iii) a nonprofit medical service corporation licensed under chapter 176B, (iv) a dental service corporation organized under chapter 176E, (v) an optometric service corporation organized under chapter 176F, (vi) a self-insured plan, to the extent

allowable under federal law governing health care provided by employers to employees, or (vii) a health maintenance organization licensed under chapter 176G.

"Provider", any person, corporation, partnership, governmental unit, state institution or any other entity qualified under the laws of the commonwealth to perform or provide health care services.

"Provider organization", any corporation, partnership, business trust, association or organized group of persons, which is in the business of health care delivery or management, whether incorporated or not that represents 1 or more health care providers in contracting with carriers for the payments of health care services; provided, that "provider organization" shall include, but not be limited to, physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations and any other organization that contracts with carriers for payment for health care services.

"Public health care payer", the Medicaid program established in chapter 118E; any carrier or other entity that contracts with the office of Medicaid to pay for or arrange the purchase of health care services on behalf of individuals enrolled in health coverage programs under Titles XIX or XXI of the Social Security Act, including prepaid health plans subject to section 28 of chapter 47 of the acts of 1997; the group insurance commission established pursuant to chapter 32A; and any city or town with a population of more than 60,000 that has adopted chapter 32B.

"Quality measures", the standard quality measure set as defined by the center under section 14 of chapter 12C.

"Registered provider organization", a provider organization that has been registered under this chapter.

"Relative prices", the contractually negotiated amounts paid to providers by each private and public carrier for health care services, including non-claims related payments and expressed in the aggregate relative to the payer's network-wide average amount paid to providers, as calculated under section 10 of chapter 12C.

"Resident", a person living in the commonwealth, as defined by the commission by regulation; provided, however, that such regulation shall not define a resident as a person who moved into the commonwealth for the sole purpose of securing health insurance under this chapter; provided further, that confinement of a person in a nursing home, hospital or other medical institution shall not, in and of itself, suffice to qualify such person as a resident.

"Risk-bearing provider organization", a provider organization that manages the treatment of a group of patients and bears the downside risk according to the terms of an alternate payment contract.

"Secretary", the secretary of health and human services.

"Self-employed", a person who, at common law, is not considered to be an employee and whose primary source of income is derived from the pursuit of a bona fide business.

"Self-insurance health plan", a plan which provides health benefits to the employees of a business, which is not a health insurance plan, and in which the business is liable for the actual costs of the health care services provided by the plan and administrative costs.

"Self-insured group", a self-insured or self-funded employer group health plan.

"Shared decision-making", a process in which the health care provider and patient or patient's representative discuss the patient's condition or disease, the treatment options available for that condition or disease, the benefits and harms of each treatment option, information on the limits of scientific knowledge on patient

outcomes from the treatment options, and the patient's values and preferences for treatment, and if available for said condition or disease, with the use of a patient decision aid.

"State institution", any hospital, sanatorium, infirmary, clinic and other such facility owned, operated or administered by the commonwealth, which furnishes general health supplies, care or rehabilitative services and accommodations.

"Surcharge payor", an individual or entity that pays for or arranges for the purchase of health care services provided by acute hospitals and ambulatory surgical center services provided by ambulatory surgical centers; provided, however, that the term "surcharge payor" shall include a managed care organization; and provided further, that "surcharge payor" shall not include Title XVIII and Title XIX programs and their beneficiaries or recipients, other governmental programs of public assistance and their beneficiaries or recipients and the workers' compensation program established under chapter 152.

"Third party administrator", an entity that administers payments for health care services on behalf of a client in exchange for an administrative fee.

"Title XIX", Title XIX of the Federal Social Security Act, 42 U.S.C. 1396 et seq., or any successor statute enacted into federal law for the same purposes as Title XIX.

"Total health care expenditures", the annual per capita sum of all health care expenditures in the commonwealth from public and private sources, including: (i) all categories of medical expenses and all non-claims related payments to providers, as included in the health status adjusted total medical expenses reported by the center under subsection (d) of section 8 of chapter 12C; (ii) all patient cost-sharing amounts, such as, deductibles and copayments; and (iv) the net cost of private health insurance, or as otherwise defined in regulations promulgated by the center.