

Massachusetts hospital pricing compromise signed into law

Massachusetts Gov. Charlie Baker (R) has signed a bill into law that will avoid a ballot question concerning hospital pricing, according to a report on MassLive.com.

The bill, signed Tuesday, creates a new \$45 million trust fund for struggling hospitals over a period of five years. The fund would come from the budget of the Center for Health Information and Analysis. Under the new law, hospitals that charge insurers lower prices will receive more money, according to the report.

The law also adjusts rates for MassHealth, the state's combined Medicaid and state Children's Health Insurance Program. Under the law, the state may raise up to \$15 million annually from a new fee on hospitals, which will be redistributed back to hospitals through MassHealth reimbursements, according to the report. That's in addition to the \$250 million hospital assessment proposal already included in the fiscal year 2017 state budget.

The law also adds the chairs of the Joint Committee on Health Care Financing as co-chairs to the Special Commission to Review Variation in Prices among Providers. This special commission will make policy recommendations by March 15, 2017, to address healthcare pricing in the long-term, according to the report.

Gov. Baker's signature came less than one week after Massachusetts lawmakers announced a healthcare pricing compromise.

The Service Employees International Union was the main push behind the ballot question, which would have aimed to limit disparities in the amount commercial insurers can pay different hospitals for the same procedure, to help ailing smaller community hospitals, according to the report. The Massachusetts Hospital Association, as well as Boston-based Partners HealthCare, opposed the question.

SEIU now plans to pull the ballot question.

By: Kelly Gooch