MA Lawmakers Approve Health Care Cost Bill

Steve LeBlanc, Associated Press

BOSTON (AP) — Massachusetts lawmakers have given final approval to a bill designed to save up to $200 billion in health care costs over the next 15 years.

Gov. Deval Patrick said he looks forward to signing the bill.

Legislative leaders say the bill will help guarantee the future of the state's landmark health care law and make Massachusetts the first state to set a goal limiting the future growth of health care costs.

The bill also encourages the creation of "accountable care organizations" that take a more coordinated approach to medicine, give residents better access to their medical records and cut down on unnecessary testing. Five such organizations already exist in Massachusetts.

The legislation also includes $135 million in grants to help community hospitals adopt electronic medical records systems.

Patrick said the bill builds on the state's existing health care record.

"With over 98 percent of our residents insured today, we've shown the nation how to extend coverage to everyone," Patrick said in a statement. "Now we are poised to do the same on controlling costs."

Bringing spiraling insurance and other health costs under control is seen as critical to the longterm success of the Massachusetts health care law signed in 2006 by then-Gov. Mitt Romney, a Republican.

That law — which became the blueprint for the federal health care law signed by President Barack Obama in 2010 — expanded access to health coverage, but did little to rein in premiums and other medical costs that have threatened to undermine the law's fiscal stability.

Senate President Therese Murray warned in April that "annual double-digit health care costs increases outpace other expenses and strain the budgets of our businesses, out families, and our government."

Sen. Richard Moore, an Uxbridge Democrat and a member of the six-member conference committee that crafted the final compromise bill, said a top aim of the bill is to set limits on the growth of medical spending.

"This is the first time any state had attempted to set a cost growth goal close to the

inflation rate," Moore said.

The bill's provision for accountable care organizations is considered critical to the transition from a more piecemeal approach to medical care, in which doctors are paid for each test or procedure, toward a system focused on the best way to maintain a patient's overall health.

Rep. Steven Walsh, D-Lynn, who also worked on the final version of the bill, said he's confident it will benefit patients, health care providers and businesses — which could see a reduction on the cost of health premiums.

Walsh also said the bill is a critical follow-up to the 2006 health care law.

"That was an important first step, now it's about cost and quality," he said.

Some lawmakers complained the delay in filing the bill gave them little time to read it before being asked to vote.

The House version of the bill had included a "luxury tax" aimed at addressing the wide price differences that hospitals charge for the same operation or procedure. The proposed tax was dropped from the final bill, however.

Under the proposal, hospitals that charged more than 20 percent above the state median price for a service would have been required to pay a 10 percent surcharge into a fund to support hospitals serving the poor and most vulnerable.

The bill takes other steps to control costs.

It expands the role of physician assistants and nurse practitioners to act as primary care providers to guarantee access to more affordable care and creates a new "wellness tax credit" for businesses that adopt programs to combat preventable chronic diseases like obesity, diabetes, and asthma.

The bill also seeks to control medical malpractice costs by creating a 182-day "cooling off" period to give both sides a chance to negotiate a settlement, and bans mandatory overtime for hospital nurses except in emergency situations.

The bill has gotten mixed reviews.

Amy Whitcomb Slemmer, executive director of the advocacy group Health Care For All, praised the legislation.

"By paying for quality, not quantity, our state's health care delivery system will be better and more cost-effective," Slemmer said.

The Massachusetts Hospital Association released a statement saying that while hospitals will do their part to get costs under control, some of the goals in the bill are daunting given "increasing demands on health care such as the aging population and obesity epidemic."

Josh Archambault, health care policy director for the Pioneer Institute, a conservative-leaning Boston-based think tank, said the bill takes the wrong approach.

"Instead of providing financial incentives for individual patients to take charge of their own medical care, this legislation rearranges the system based on accountable care organizations and changes in payment methods," he said in statement. "The legislation misses the mark by a long shot."

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