



## ML Strategies Alert

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# MA House Passes Health Care Cost Containment Bill

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The Massachusetts House overwhelmingly approved its version of legislation designed to cut the cost of medical care, passing the measure 148-7 after a full day of debate on June 5th. After it initially released a bill on May 4th ([see our prior alert](#)), House leadership, including the original author, Representative Steven Walsh, accepted feedback and recommendations from various stakeholders. A minimally revised bill emerged from the House Ways & Means Committee on May 30th and House legislators then offered 275 amendments to that updated version.

One noteworthy provision included in the House Ways & Means Committee redraft bill would double the number of patients who can join an accountable care organization to 800,000, a change that would provide some relief for large networks. The redraft also places the independent authority that would set guidelines and monitor compliance envisioned in the original legislation under the Executive Office of Health and Human Services. House leaders say the bill will save our state health care system \$160 billion over the next 15 years.

This week the House disposed of all 275 amendments in one day of debate but did not make significant changes to the provisions proposed in the original bill.

## Highlights of the Floor Debate

- Rejection of an amendment that would have eliminated the mandate in the bill that capped medical spending at a rate below the gross state product;
- Rejection of amendments that would have expanded the excise tax on cigarettes to other tobacco products, and eliminated the sales tax exemption on soda;
- Adoption of an amendment that would require accountable care organizations to serve children with specialty care needs;
- Rejection of amendments that would have eliminated the so-called luxury tax and the surcharge on providers and insurers;
- Adoption of an amendment that would have allowed small businesses to reduce their fair share assessments by excluding employees who have qualifying coverage from a spouse, parent, veterans' plan, Medicare or Medicaid;
- Adoption of an amendment that includes accountable care organization in the listed entities, as it pertains to unfair methods of competition;
- Rejection of an amendment that would have required health plans to offer a basic health plan devoid of coverage mandates; and
- Rejection of an amendment that would have created a task force to review health care executives' compensation and bonuses.

The House and Senate bills ([see our previous House and Senate alert](#)) contain key differences, most notably over how much discretion and control the health care industry itself may have to contain costs. The House favors more oversight, albeit with a limited number of appointed boards, whereas the Senate approach allows for more leeway in the development of solutions to reduce and control costs but arguably creates more bureaucracy to monitor it. Senate President Therese Murray has also been clear that she will not support a luxury tax on hospitals.

## What's Next?

The House and Senate will appoint a six member conference committee in the coming days to negotiate these legislative differences. Ultimately, the House and Senate must give an up-or-down vote on the conference committee's report and deliver that final product to Governor Patrick prior to the conclusion of the current legislative session on July 31st.

ML Strategies will monitor the work of the conference committee and provide updates as the legislation progresses.

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

[House Bill 4070](#)

[Senate Bill 2260](#)

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