

HOUSE No. 1074

By Mr. Scaccia of Boston, petition of William F. Galvin for legislation to further regulate health maintenance organizations doing business in the Commonwealth. Financial Services.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT TO PROTECT THE HEALTH OF THE CITIZENS OF THE COMMONWEALTH.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 111 of the General Laws, as appearing in
2 the 2002 Official Edition, is hereby amended by inserting at the end
3 the following new sections:—

4 Section 216. Any entity, corporation, carrier or partnership which
5 operates a health maintenance organization as defined in section one
6 of Chapter 176G shall annually not later than the first day of
7 October file with the commissioner of public health a plan of service
8 for the coming calendar year. Said plan of service shall include in
9 exact detail every benefit, service, hospital, clinic, covered proce-
10 dure, emergency care policy, all physicians, participants, all nursing
11 services participants, all pharmaceutical coverage providers with all
12 exceptions and exclusions, or deductibles of any kind, for every cat-
13 egory of member or person covered by the health maintenance orga-
14 nization.

15 Section 217. The commissioner shall annually conduct a hearing
16 on the service plan within forty-five days of filing to determine its
17 effect on the public health, and unless specifically preempted by fed-
18 eral law as it relates to participating members said service plan shall
19 not take effect until approved by the commissioner.

20 Section 218. Except as otherwise specifically preempted by fed-
21 eral law, whenever a health maintenance organization as defined
22 above seeks to amend its plan of service during the course of the cal-
23 endar year it shall first submit a detailed plan of amendment to the
24 commissioner which shall include the number of members to be

25 effected by the amendment as well as a statement of reasons in sup-
26 port of the amendment.

27 The commissioner or designee shall then schedule a public
28 hearing on these proposed amendments. The commissioner is autho-
29 rized to promulgate regulations to assure public notices of such
30 pending amendments. Except as otherwise specifically preempted by
31 federal law no such change as proposed in the amendment shall
32 occur until the commissioner shall determine that such an amend-
33 ment is not detrimental to the health of the effected members and
34 comparable care is otherwise available. In those instances where the
35 commonwealth is specifically prevented from enforcing statutes of
36 benefits, the commissioner shall conduct a public hearing to deter-
37 mine the effect of the proposed amendment on the public health and
38 shall file a written copy of his finding with the state secretary who
39 shall publish the same.

1 SECTION 2. Chapter 112 of the General Laws, as appearing in
2 the 2002 Official Edition, is hereby amended by inserting after
3 section 42A the following new sections:—

4 Section 42B. No pharmacist or store licensed under this chapter
5 who is engaged in the “drug business” as defined in section 37 shall
6 sell to a retail consumer either directly or indirectly any medication
7 which requires a prescription from a professional licensed under this
8 chapter without disclosing in writing the wholesale price of the drug
9 being delivered as well as the exact co-pay or contribution being
10 made on the consumer’s behalf by any insurer or HMO or their
11 agents. Consumer’s may not waive this right of disclosure.

12 Section 42C. Any entity licensed as a wholesale distributor of
13 prescription drugs or any entity which is licensed under section 38 of
14 this chapter to sell prescription drugs shall annually submit to the
15 board of registration in pharmacy a report identifying the total
16 number of prescriptions it sold or in the case of” whatever the total
17 volume of drugs it sold identifying the drug by trade name as well as
18 generic name. The board may by rule require the annual disclosure
19 of additional information as to description of products sold and
20 general information about the manner in which prescriptions are
21 filled. A copy of such report shall be transmitted to the commis-
22 sioner of public health.