

SENATE NO. 632

AN ACT RELATIVE TO FAIR AND EQUITABLE MANAGED CARE CONTRACTING STANDARDS

*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 1760 of the General Laws is hereby amended by inserting after
2 section 10 (b) (3) the following:
3 (4) a requirement that physician group budgets be based on an accepted per member per
4 month cost determined by actuarial input from a collaboration of representatives
5 including physicians, business groups, employers, carriers and the Division of Insurance.
6 (5) a requirement that reinsurance amounts be determined according to an actuarial
7 standard estimate of catastrophic events in a provider unit.
8 (6) a requirement that carriers provide the physician or physician group with detailed
9 expense descriptions, including but not limited to member name, dates of service,
10 primary care and referring physician information, the physician and/or facility
11 performing the services, amount paid, and, where applicable, amount withheld.
12 Physicians should also receive specific information on the company's provider units
13 and/or contracted physicians reconciliation process so that the provider can review the
14 information at least three months prior to the corporation's declaring the provider unit

15 above, under, or at budget."

16 (7) a provision permitting the provider to refuse participation in one or more such other
17 plans at the time the contract is executed without affecting the provider's status as a
18 member of or for eligibility in the plan which is the subject of such contract or other
19 plans."

20 (8) a prohibition against modification of the contract without the express, written
21 consent of all parties.

22 (9) a requirement that claims which may involve other carriers or future settlements,
23 including but not limited to auto accidents involving legal cases, be extracted from year
24 end budget and settlement information