



**COMMONWEALTH OF MASSACHUSETTS**  
**Office of Consumer Affairs and Business Regulation**  
**DIVISION OF INSURANCE**

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UNDERSECRETARY OF CONSUMER AFFAIRS  
AND BUSINESS REGULATION

**JOSEPH G. MURPHY**  
COMMISSIONER OF INSURANCE

December 31, 2010

Steven James  
House Clerk  
State House, Room 145  
Boston, MA 02133

Dear Mr. James:

Section 66A of Chapter 288 of the Acts of 2010 (the "Act") required the Division of Insurance ("Division") to collect information from small group health carriers about contracts with participating providers for "one-time supplemental funding for the purposes of issuing refunds for health benefit plans issued to its current eligible individuals and eligible small groups under [M.G.L. c.] 176J." The Division collected the attached information from Massachusetts' carriers regarding all payments made by participating providers that have been made through December 31, 2010.

Please feel free to contact my office if you or any members of the House have questions or comments about this Report.

Sincerely,

A handwritten signature in cursive script that reads "Joseph G. Murphy".

Joseph G. Murphy  
Chairman

**SUPPLEMENTAL FUNDING REPORT**

**December 31, 2010**

Section 66A of Chapter 288 of the Acts of 2010<sup>1,2,3</sup>

| SUPPLEMENTAL FUNDING<br>HOSPITAL/PROVIDER NAME | TOTALS TO DATE <sup>4</sup> |
|--|-----------------------------|
| ANNA JAUQUES HOSPITAL                          | \$0                         |
| ATHOL MEMORIAL HOSPITAL                        | \$0                         |
| BAYSTATE FRANKLIN MEDICAL CENTER               | \$0                         |
| BAYSTATE MARY LANE HOSPITAL                    | \$0                         |
| BAYSTATE MEDICAL CENTER                        | \$0                         |
| BERKSHIRE MED CTR INC/BERKSHIRE CAM            | \$0                         |
| BERKSHIRE MED CTR INC/HILLCREST CAM            | \$0                         |
| BETH ISR DEACNSS HOSP - NEEDHAM                | \$0                         |
| BETH ISRAEL DEACONESS MED CTR                  | \$0                         |
| BEVERLY HOSP/ADDISON GILBERT CAMPU             | \$0                         |
| BEVERLY HOSP/BEVERLY CAMPUS                    | \$0                         |
| BOSTON MED CTR                                 | \$0                         |
| BRIGHAM & WOMEN'S HOSPITAL                     | \$0                         |
| CAMBRIDGE HLTH ALLIANCE/CAMBRIDGE              | \$0                         |
| CAMBRIDGE HLTH ALLIANCE/SOMERVILLE             | \$0                         |
| CAMBRIDGE HLTH ALLIANCE/WHIDDEN MEM            | \$0                         |
| CAPE COD HOSPITAL                              | \$0                         |
| CARITAS CARNEY HOSPITAL                        | \$0                         |
| CARITAS GOOD SAMARITAN MED CTR                 | \$0                         |
| CARITAS HOLY FAMILY HOSPL & MED CTR            | \$0                         |
| CARITAS NORWOOD HOSPITAL INC                   | \$0                         |
| CARITAS ST ELIZABETH'S MEDICAL CTR             | \$0                         |
| CHILDRENS HOSPITAL BOSTON                      | \$0                         |
| CLINTON HOSPITAL                               | \$0                         |
| COOLEY DICKINSON HOSPITAL, INC.                | \$0                         |
| DANA FARBER CANCER INSTITUTE                   | \$0                         |
| EMERSON HOSPITAL                               | \$0                         |
| FAIRVIEW HOSPITAL                              | \$0                         |
| FALMOUTH HOSPITAL                              | \$0                         |
| FAULKNER HOSPITAL CORP.                        | \$0                         |
| HALLMARK HEALTH SYSTEM LAWRENCE MEM            | \$0                         |
| HALLMARK HEALTH SYSTEM MELROSE-WAKEFIELD       | \$0                         |
| HARRINGTON MEMORIAL HOSPITAL                   | \$0                         |
| HEALTHALLIANCE HOSP-BURBANK CAMPUS             | \$0                         |
| HEALTHALLIANCE HOSP-LEOMINSTER CAMP            | \$0                         |
| HEYWOOD HOSPITAL                               | \$0                         |
| HOLYOKE MEDICAL CENTER                         | \$0                         |
| HUBBARD REGIONAL HOSPITAL                      | \$0                         |
| JORDAN HOSPITAL                                | \$0                         |
| LAHEY CLINIC HOSPITAL                          | \$0                         |
| LAWRENCE GENERAL HOSPITAL                      | \$0                         |
| LOWELL GENERAL HOSPITAL                        | \$0                         |
| MARLBOROUGH HOSPITAL                           | \$0                         |
| MARTHA'S VINEYARD HOSPITAL                     | \$0                         |
| MASS EYE & EAR INFIRMARY                       | \$0                         |
| MASS GENERAL HOSPITAL                          | \$0                         |
| MERCY MEDICAL CENTER CAMPUS                    | \$0                         |
| MERRIMACK VALLEY HOSPITAL                      | \$0                         |
| METROWEST MED CTR/FRAM UNION CAMPUS            | \$0                         |
| METROWEST MED CTR/L MORSE CAMPUS               | \$0                         |
| MILFORD REGIONAL MEDICAL CENTER*               | \$0                         |
| MILTON HOSPITAL INC                            | \$0                         |
| MORTON HOSP & MEDICAL CTR INC                  | \$0                         |
| MOUNT AUBURN HOSPITAL                          | \$0                         |
| NANTUCKET COTTAGE HOSPITAL                     | \$0                         |

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**December 31, 2010**

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|--|-----------------------------|
| NASHOBA VALLEY MEDICAL CENTER                  | \$0                         |
| NEW ENGLAND BAPTIST HOSPITAL                   | \$0                         |
| NEWTON-WELLESLEY HOSPITAL                      | \$0                         |
| NOBLE HOSPITAL INC                             | \$0                         |
| NORTH ADAMS REGIONAL HOSPITAL                  | \$0                         |
| NORTH SHORE MED CTR/SALEM HOSPITAL             | \$0                         |
| NORTH SHORE MED CTR/UNION HOSPITAL             | \$0                         |
| QUINCY MEDICAL CENTER                          | \$0                         |
| SAINTS MEDICAL CENTER                          | \$0                         |
| SIGNATURE HEALTHCRE BROCKTON HOSPITAL          | \$0                         |
| SOUTH SHORE HOSPITAL                           | \$0                         |
| SOUTHCOAST HOSPS GRP INC/CHARLTON              | \$0                         |
| SOUTHCOAST HOSPS GRP INC/ST LUKES              | \$0                         |
| SOUTHCOAST HOSPS GRP INC/TOBEY                 | \$0                         |
| ST ANNES HOSPITAL                              | \$0                         |
| ST VINCENT HOSPITAL                            | \$0                         |
| STURDY MEMORIAL HOSPITAL                       | \$0                         |
| TUFTS MEDICAL CENTER                           | \$0                         |
| UMASS MEMORIAL MED CTR/MEM CAMPUS              | \$0                         |
| UMASS MEMORIAL MED CTR/UNIV CAMPUS             | \$0                         |
| WINCHESTER HOSPITAL                            | \$0                         |
| WING MEMORIAL HOSPITAL & MED CTRS              | \$0                         |
| OTHER PROVIDERS                                | \$0                         |
| <b>TOTAL:</b>                                  | <b>\$0</b>                  |

<sup>1</sup> Participating providers [as defined in M.G.L. c. 176O §1] may contract with small group health carriers to provide carriers a one-time supplemental funding for the purposes of issuing refunds for health benefit plans issued to carrier's current eligible individuals and eligible small groups under M.G.L. Chapter 176J.

<sup>2</sup> Partners HealthCare sent a letter to Commissioner Murphy on December 16, 2010 that referenced a \$40.0 million charge that it believed should be counted in this report. During a meeting with the Division of Insurance on December 23, 2010, Partners Health Care clarified that it will not be making any payments in calendar year 2010 to any health carriers for the purpose of making refunds to small employers. Partners HealthCare confirmed that it has taken a \$40.0 million charge to its income in the last quarter of calendar year 2010. This charge was taken because Partners, by the end of 2011, either will reopen its existing contracts with the major health plans and will renegotiate rates of reimbursement to lower future health care costs by at least \$40.0 million or will make \$40.0 million in one-time payments to these carriers specifically to arrange for refunds to small employers. Since Partners HealthCare indicated that the \$40.0 million payment would occur subsequent to December 31, 2010, the Division has not reflected this amount in this report.

<sup>3</sup> Childrens Hospital Boston wrote to the Division of Insurance to indicate that it had renegotiated contracts with major payers impacting health care costs in 2010 that it estimated would reduce its reimbursements by \$80.3 million. Since Childrens Hospital Boston confirmed that these renegotiations were not dedicated to services provided to small employers and that it had not made any one-time payments for the purpose of making refunds to small employers, this amount was not reflected in this report.

<sup>4</sup> Information based on carrier reports filed with the Massachusetts Division of Insurance as of December 31, 2010.