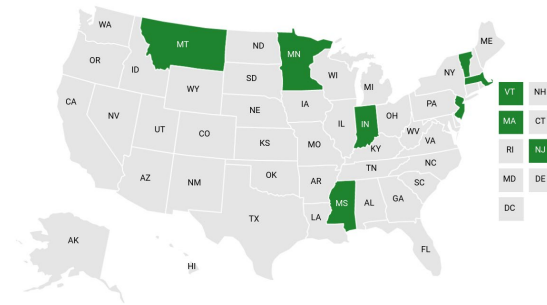


Medicare Reference Pricing Legislative Activity in U.S.

In 2023, 7 Bills Introduced in 7 States (updated March 17, 2023)

2023 State Policy Links					
IN	HB1004	MS	SB2626	NJ	A1249
MA	SD958	MT	SB364	VT	H220
MN	SF883				



Data Source: National Academy for State Health Policy [State Legislative Action to Lower Health System Costs - NASHP](#)

State	Bill	Status	Summary	Sponsor
Indiana	HB1004	Passed House; referred to Senate Committee on Health and Provider Services	<p>This measure assesses a fine equal to 1% of commercial net patient revenue to nonprofit hospital systems that exceed either the national mean pricing level expressed as a percentage of Medicare pricing by at least 25%, or systems that exceed by less than 25% but fail to lower prices within 6 months or receiving a notice for corrective action..</p> <p>This measure supports independent physician offices by giving physician-owners a tax credit and requires facilities and practitioners to include the address of the service facility location in order to obtain reimbursement for a commercial claim for health care services</p> <p>The bill had provisions removed that would have prohibited nonprofit hospitals from entering into physician noncompete agreements; required physicians to use certain claim forms for services they provide; mandated that if a hospital charges more than 260% of Medicare for a service, the state will assess a financial penalty on that hospital; and required hospital reporting on health care service prices</p>	Rep. Donna Schaibley (R), Rep. Matthew S. Lehman (R), and Rep. Kyle Pierce (R)
Massachusetts	SD958	Introduced	This measure establishes a public health option. Rates must be established for services and providers based on parts A and B of Medicare.	Sen. Jason Lewis (D)
Minnesota	SF883	Referred to Senate Committee on Health and Human Services	This measure allows health carriers to offer reference-based pricing health plans based on the the most recent Medicare reimbursement schedules. Any plan with a reimbursement rate of at least 120% above the Medicare rate offered in all counties of the state is exempt from geographic and network adequacy requirements.	Sen. Glenn Gruenhagen (R)
Mississippi	SB2626	Died in Committee	This measure increases the Medicaid reimbursement rate for inpatient and outpatient hospital services for hospitals located in a county with an average monthly unemployment rate of at least 8% for the 12 months of the previous fiscal year and that has a critical shortage of physicians and nurses to not less than 80% of the Medicare reimbursement rate.	Sen. Barbara Blackmon (D)
Montana	SB364	Referred to Senate Committee on Public Health, Welfare and Safety	This measure establishes limits on hospital-related charges. Under the bill, a hospital-related charge for inpatient or outpatient care may not exceed 250% of the reimbursement rate allowed for the same care by Medicare.	Sen. Greg Hertz (R)
New Jersey	A1249	Referred to Assembly Committee on Budget	This measure requires NJ's SHBP and SEHBP to implement a referenced based pricing program and bundled payment program.	Asm. Eliana Pintor Marin (D)
Vermont	H220	Referred to House Committee on Health Care	This measure, among other things, directs the Department of Vermont Health Access to include in its annual budget proposal reimbursement rates for Medicaid participating providers for primary care services at rates that are equal to 100% of the Medicare rates for the services in effect in calendar year 2022, with positive medical inflation adjustment rates in subsequent years, or provide information on the additional amounts that would be necessary to achieve full reimbursement parity for primary care services with the Medicare rates.	Rep. Jessica Brumsted (D), Rep. Brian Cina (D), Rep. Bobby Farlice-Rubio (D), Rep. Rey Garofano (D), Rep. Leslie Goldman (D), Rep. Lori Houghton (D), and Rep. Taylor Small (D)



States that already have Medicare Reference Pricing

Data Source: National Academy for State Health Policy, [Overview of States' Hospital Reference-Based Pricing to Medicare Initiatives - NASHP](#)

State	Legislation	Effective Date	Programs	Rates Established	Savings	Notes
Oregon	SB1067 Bipartisan Bill: Winters (R), Smith (R), Courtney (D), Kotek (D), Devlin (D), Johnson (D), Nathanson (D)	Passed 2017 Effective 10/1/2019 for OEBC Effective 1/1/2020 for PEBB	Public Employees' Benefit Board (PEBB) Oregon Educators Benefit Board (OEBC)	200% (in-network) and 185% (out-of-network) on hospital inpatient, outpatient services and supplies	\$113 million in 2021 \$59 million in 2020	Exempted: CAH, or Sole community hospitals (SCH) in county of less than 70k people with Medicare comprising over 40% of patient revenue, a rural hospital that has 50 or fewer beds and is 30 miles or less from another acute inpatient care facility.
Washington	SB 5526 Democrat Bill	Passed 2019 Effective 7/28/2019	Cascade Care public option insurance plans	160% aggregate to providers 101% for Critical Access Hospitals (CAH)/ Sole Community Hospitals (SCH) 135% floor for primary care services by a physician	N/A	
Colorado	HB21- 1232 Democrat Bill	Passed 6/16/21 Effective 1/1/23	Colorado Standardized Health Benefit Plan	When the negotiated rate does not allow for legislated premiums & network adequacy requirements: a minimum of 15% for hospitals. Certain types of hospitals are eligible for adjustments increasing the baseline rates: +20% for essential hospitals (rural with 25 or fewer beds) OR independent hospitals +40% for independent essential hospitals +30% for hospitals with above average public payer mix (can be less depending on share of patients) +40% for efficient hospitals (based on margins, operating costs, net patient revenue) +55% for pediatric hospitals (not eligible for other adjustments)	N/A	Exempted: Hospitals with current rates < 165% of Medicare. Hospitals with >20% reduction from previous year's health plan contracted rate. Conditional pricing for: Hospitals with negotiated health plan rates < 10% of statewide hospital median reimbursement rate as percentage of Medicare for 2021 (via APCD)
Nevada	SB420 Democrat Bill	Passed 2021 Effective 1/1/26	Nevada Public Option	Specific reimbursement rate not established under legislation; in the aggregate, reimbursements under the public option must be comparable to, or "better than" those paid by Medicare	N/A	

Additional Information

The **Committee for a Responsible Federal Budget** (Chairmen: **Mitch Daniels**, Leon Panetta, and Tim Penny) published a white paper titled, *Capping Hospital Prices*. This paper supports implementing caps and identifies a savings opportunity of one trillion dollars if commercial hospital prices were capped at 200% of Medicare. Limiting the initiative to only the more problematic, highly consolidated markets would reduce savings by 30%. Tightening the cap to 150% of Medicare would almost double the savings. Access the paper [here](#).