



Kaiser Daily Health Policy Report

Monday, August 11, 2008

State Watch

Massachusetts Gov. Patrick Signs Sweeping Health Care Legislation

Massachusetts Gov. Deval Patrick (D) on Sunday signed into law broad health care legislation that will raise \$100 million in state funds and fees on private companies to fund the state's health insurance law, the *Boston Globe* reports. The law also bans some types of gifts given to medical professionals by drug companies, such as sporting event tickets and traveling expenses, and it requires that drug and medical device makers publicly disclose gifts valued at more than \$50. The law calls for the state to develop a code of conduct for the industry, which includes a \$5,000 fine for every violation.

In addition, the new law:

- Authorizes \$25 million to promote use of electronic medical records in physicians' offices;
- Directs the University of Massachusetts [Medical School](#) to expand and boost its primary care physician graduation numbers; and
- Gives the state more regulatory strength in reviewing health insurance rates (Allen, *Boston Globe*, 8/11).

Massachusetts Seeks Fourth Medicaid Funding Extension

In related news, Massachusetts officials have requested another two-week extension of the state's federal Medicaid waiver after regulators rejected a request for up to \$3 billion more in Medicaid spending over three years, the *Globe* reports. Federal Medicaid funding for the state expired on June 30, but the federal government granted Massachusetts three, two-week extensions. If the fourth is approved, the deadline to resolve the federal Medicaid funding request would be Aug. 25. The state now is asking for an increase of up to \$1 billion for three years.

The state is requesting the funding increase because it forecasts a 50,000 enrollment increase in [Commonwealth Care](#). State Sen. Steven Panagiotakos (D), chair of the Senate Ways and Means Committee, said, "If we don't get everything we are looking for in the waiver, we would either have to come up with the money through (state) reserves, or we would have to cut benefits."

One of the issues with the funding increase request is that the state and federal regulators disagree about what it should cost to expand the program, the *Globe* reports. Another issue is that the state uses a Medicaid rule waiver to expand program spending to people who normally would not be eligible, and under the waiver, spending must not increase more than it would have cost without the waiver (Lazar, *Boston Globe*, 8/10).