

**KROKIDAS & BLUESTEIN**  
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**CLIENT ALERT**

**CHAPTER 224 HEALTH CARE COST CONTAINMENT UPDATE #2**

Chapter 224 of the Massachusetts Acts of 2012, “An Act Improving the Quality of Health Care and Reducing Costs Through Increased Transparency, Efficiency and Innovation,” became effective on November 5, 2012. The law aims to control health care cost through the creation of new agencies, adoption of alternative payment methodologies, investment in prevention, and increased price transparency.

On November 20, 2012, the Division of Insurance (“the Division”) issued a bulletin with transitional rules for the certification of Risk-Bearing Provider Organizations (“RBOs”). The Division is responsible under Chapter 224 for annually certifying provider organizations that take on certain financial risks through alternative payment contracts.

From November 4, 2012 through December 31, 2013 (the “Transition Period”), RBOs are not required to apply for Risk Certificates or Risk Certificate Waivers. Instead, RBOs must apply for Transition Period Waivers. The bulletin details the Transition Period Waiver application process and explains additional responsibilities for RBOs during the Transition Period.

The Division has advised us that there is no application form for the Transition Period Waiver. To obtain a Transition Period Waiver, a provider organization should respond to the six questions set forth in the bulletin, sign the document and email the responses (either as a word document or a pdf) to the Division at [DOIrbo@state.ma.us](mailto:DOIrbo@state.ma.us).

The bulletin is available at: <http://www.mass.gov/ocabr/business/insurance/doi-regulatory-info/doi-regulatory-bulletins/2012-doi-bulletins/bulletin-2012-08.html>