HOUSE DOCKET, NO. 3107 FILED ON: 1/21/2011

HOUSE . . . . . No. 2895

The Commonwealth of Massachusetts

PRESENTED BY:

Nick Collins

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act to ensure quality, affordability and access to primary and preventive health care, to eliminate health disparities, and to enhance economic growth throughout the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Nick Collins	*4th Suffolk*

HOUSE DOCKET, NO. 3107 FILED ON: 1/21/2011

HOUSE . . . . . No. 2895

By Mr. Collins of Boston, a petition (accompanied by bill, House, No. 2895) of Nick Collins for legislation to establish a state health service corps within the Executive Office of Health and Human Services to ensure the quality, affordability and access to primary and preventive health care throughout the Commonwealth. Public Health.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *2163* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act to ensure quality, affordability and access to primary and preventive health care, to eliminate health disparities, and to enhance economic growth throughout the Commonwealth.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 6A of the General Laws, as most recently amended by section 3 of chapter 58 of the Acts of 2006, is hereby amended by adding the following new sections:-

Section 16P. The Secretary of Health and Human Services, jointly with the Commissioner of Public Health, the Massachusetts League of Community Health Centers and the University of Massachusetts Medical School and in consultation with other health professionals and organizations, shall establish a State Health Service Corps for the purpose of uniting community health centers with caring health professionals, and supporting community-based care at community health centers. The goal of the State Health Service Corps shall be to provide comprehensive team-based health care at community health centers that bridges geographic, financial, cultural, and language barriers for the medically underserved. The State Health Service Corp shall:

(a) Form partnerships with community health centers serving medically underserved areas or populations, educational institutions, and community and professional organizations;

(b) Recruit caring, culturally competent clinicians for community health centers;

15 (c) Provide opportunities and professional experiences to students through a Scholarship
16 and Loan Repayment Program and a state SEARCH (Student/Resident Experiences and
17 Rotations in Community Health Centers) program;

18 (d) Work to establish systems of care that remain after an SHSC clinician departs; and

19 (e) Shape the way clinicians practice by building a community of dedicated health
20 professionals who continue to work with the underserved even after their SHSC commitment has
21 been fulfilled.

22 The scholarship and loan repayment program referenced in paragraph (b) shall fund loan
23 forgiveness or loan repayment programs for at least ten new primary care clinicians annually for
24 a period of three years per clinician and shall fund minimum loan forgiveness or repayment of
25 $25,000 per clinician per year, in exchange for the clinician's commitment to practice full time
26 in one or more community health centers for three consecutive years.

27 Section 16Q. There is hereby established within the Executive Office of Health and
28 Human Services an Office of State Health Policy which shall be responsible for health access
29 and primary care development, planning, coordination and federal designations. Such office
30 shall serve as the primary care office for the Commonwealth and shall consult with the
31 Massachusetts League of Community Health Centers on responsibilities in connection with such
32 office. Such office shall enhance coordination on public health issues among state agencies,
33 municipal public health entities, and community health centers.

34 SECTION 2. Section 28A of chapter 7 of the General Laws, as appearing in the 2004
35 Official Edition, is hereby amended by adding the following clause:

36 Said administrator may enter into agreements with the Massachusetts League of
37 Community Health Centers, for training or education programs for community health center
38 employees at state and community colleges, the University of Massachusetts or other educational
39 institutions, including continuing medical education programs; provided that such agreements
40 shall require that a portion of the cost of such training or program shall be paid for by said
41 employees.

42 SECTION 3. Chapter 29 of the General Laws, as most recently amended by section 8 of
43 chapter 58 of the Acts of 2006, is hereby amended by adding the following sections:

44 Section 2SSS. There is hereby established and set up on the books of the commonwealth
45 a separate fund to be known as the Essential Community Health Center Trust Fund, in this
46 section called the trust fund. There shall be credited to the trust fund: (a) any funds that may be
47 appropriated or transferred for deposit into the trust fund; and (b) any income derived from
48 investment of amounts credited to the trust fund. In conjunction with the preparation of the
49 commonwealth's annual financial report, the comptroller shall prepare and issue an annual report

50 detailing the revenues and expenditures of the trust fund. The comptroller shall certify
51 payments, including payments during the accounts payable period, in anticipation of revenues,
52 including receivables due and collectibles during the months of July and August, from the trust
53 fund for the purpose of making authorized expenditures. The health safety net office shall
54 administer the trust fund and disburse funds from the trust fund for the purpose of payments to
55 community health centers under clause (12) of paragraph (b) of section 56 of chapter 118E and
56 any further regulations promulgated by the office.

57 Section 2TTT. There is hereby established and set up on the books of the commonwealth
58 a separate fund to be known as the Commonwealth Community Health Center Innovation and
59 Improvement Fund, in this section called the trust fund. There shall be credited to the trust fund:
60 (a) any funds that may be appropriated or transferred for deposit into the trust fund; and (b) any
61 income derived from investment of amounts credited to the trust fund. In conjunction with the
62 preparation of the commonwealth's annual financial report, the comptroller shall prepare and
63 issue an annual report detailing the revenues and expenditures of the trust fund. The comptroller
64 shall certify payments, including payments during the accounts payable period, in anticipation of
65 revenues, including receivables due and collectibles during the months of July and August, from
66 the trust fund for the purpose of making authorized expenditures.

67 The secretary of the executive office of health and human services shall administer the
68 trust fund, in consultation with the Massachusetts League of Community Health Centers and
69 Capital Link, and shall disburse funds from the trust fund for the purpose of issuing grants and
70 low-interest loans to independent and hospital-licensed community health centers for
71 expenditures related to:

72 1) creation, expansion or upgrade of electronic health records, computerized physician
73 order entry or other information technology;

74 (2) replacement of aging hardware, interfaces, upgrades, community-wide health
75 information exchange, or one-time support for loss of productivity during implementation of
76 electronic health records or computerized physician order entry;

77 (3) major capital projects undertaken by community health centers, including those for
78 which a grant under this section may leverage new market tax credits;

79 (4) routine capital, equipment or furniture needs, including equipment or furniture
80 replacement, and minor expansions of community health center programs or services;/

81 (5) construction and pre-development assistance and Capital Link administrative
82 expenses; and

83 (6) additional expenses that may be outlined in guidelines or regulations to be
84 promulgated by the secretary.

85 SECTION 4. Section 2 of chapter 32A, as most recently amended by section 9 of chapter
86 324 of the Acts of 2006, is hereby further amended by inserting, after the words "connector
87 authority" the following words: a Massachusetts community health center, at the option of such
88 health center

89 SECTION 5. Chapter 62 of the General Laws, as appearing in the 2004 official edition,
90 is hereby amended by adding, after section 6J, the following section: --

91 Section 6K. (a) For the purposes of this section, unless the context clearly requires
92 otherwise, the following words shall have the following meanings:-

93 "Commissioner", the commissioner of revenue.

94 "Community Development Entity", a domestic corporation or partnership if (a) the
95 primary mission of the entity is serving, or providing investment capital for, Low-Income
96 Communities or Low-Income Persons; (b) the entity maintains accountability to residents of low-
97 income communities through their representation on any governing board of the entity or on any
98 advisory board to the entity; and (c) the entity is certified by the department as being a qualified
99 community development entity. A qualified community development entity may also be a
100 limited liability company that meets the above tests.

101 "Compliance period", the period of 17 taxable years beginning with the first taxable year
102 the Massachusetts community health center new markets tax credit is claimed.

103 "Department", the executive office of health and human services or its successor agency.

104 "Eligibility statement", a statement authorized and issued by the department certifying
105 that a given project is a qualified Massachusetts community health center project. The
106 department shall, in consultation with the commissioner, promulgate regulations establishing
107 criteria upon which the eligibility statements will be issued. The eligibility statement shall
108 specify the maximum annual amount of the Massachusetts community health center new markets
109 tax credit authorized. The department shall only authorize the tax credits to qualified
110 Massachusetts projects which are placed in service on or after January 1, 2007.

111 "Federal new markets tax credit", the federal tax credit as provided in section 45D of the
112 Internal Revenue Code, as amended and in effect for the taxable year.

113 "Community Health Center project", a qualified community health center project, as
114 defined by the department consistent with the federal definition of a qualified active low-income
115 community business contained in section 45D of the Internal Revenue Code, as amended and in
116 effect for the taxable year, which is located in the commonwealth, which meets the requirements
117 of this section, and whose community health center enters into a regulatory agreement with the
118 department.

119 "Qualified Equity Investment", means any equity investment in a community
120 development entity if (a) such investment is acquired by the investor at its original issue, directly
121 or through an underwriters, solely in exchange for cash; (b) substantially all of such cash is used
122 by the community development entity to make qualified low-income community investments;
123 and (c) the investment is designated for purposes of this section by the community development
124 entity as a qualified equity investment. Qualified equity investment also includes the purchase of
125 a Qualified Equity Investment from a prior holder, to the extent provided in IRC section
126 45D(b)(4). Qualified equity investment does not include an equity investment issued by a
127 community development entity more than five years after the date the community development
128 entity receives a new markets tax credit allocation. Any allocation not used within such five year
129 period may be reallocated by the department. For purposes of this section, "equity investment"
130 means (a) any stock, other than nonqualified preferred stock as defined in IRC section 351(g)(2))
131 in a corporation and (b) any capital interest in a partnership. An LLC shall be deemed to be
132 either a corporation or a partnership according to the LLC's treatment under federal tax law.

133 "Regulatory agreement", an agreement between the community health center of the
134 qualified Community Health Center project and the department. Such agreement may be
135 subordinated to the lien of a bank or other institutional lender providing financing to the
136 qualified Massachusetts project, upon the request of such bank or lender.

137 "Taxpayer", a person, firm, partnership or other entity subject to the income tax imposed
138 by the provisions of this chapter.

139 (b)(1) There is hereby established a Massachusetts community health center new markets
140 tax credit. The department may authorize annually, for the 10 year period beginning January 1,
141 2007, and ending December 31, 2017, under this section together with section 31L of chapter
142 63, the total sum of 50 per cent of the federal new markets tax credits provided to any taxpayer in
143 exchange for making a qualified equity investment that benefits an eligible Massachusetts
144 community health center pursuant to section 45D of the Internal Revenue Code, as amended and
145 in effect for the taxable year; (2) unused community health center new markets tax credits, if
146 any, for the preceding calendar years; and (3) any Massachusetts community health center new
147 markets tax credits returned to the department by a qualified Massachusetts Community Health
148 Center project.

149 Allowance of the credit, including the amount of the credit, applicable percentage, and
150 credit allowance date, shall be determined consistent with the provisions of paragraph (a) of
151 section 45D of the Internal Revenue Code

152 (2) Unless otherwise provided in this section or the context clearly requires otherwise, the
153 department shall authorize, administer, determine eligibility for the Massachusetts community
154 health center new markets tax credit and allocate the credit consistent with the standards and
155 requirements as set forth in section 45D of the Internal Revenue Code; provided, however, that

156 the combined federal and Massachusetts community health center new markets tax credit shall
157 be the least amount necessary to ensure financial feasibility.

158 (3) The department shall allocate the total available Massachusetts community health
159 center new markets tax credit among as many qualified Massachusetts community health center
160 projects as fiscally feasible, with the goal of strengthening the commonwealth's community
161 health centers.

162 (c)(1) A taxpayer may be allowed a state tax credit with respect to a qualified
163 Massachusetts community health center project that also benefits from a federal new markets tax
164 credit, provided that the department issues an eligibility statement for that qualified
165 Massachusetts community health center project. This state tax credit shall be termed the
166 Massachusetts community health center new markets tax credit.

167 (2) The total Massachusetts community health center new markets tax credit available to
168 a qualified Massachusetts community health center project shall be authorized and allocated by
169 the department, or its successor agency, based on the qualified Massachusetts community health
170 center project's need for the credit for economic feasibility.

171 (3) The Massachusetts community health center new markets tax credit shall be taken
172 against the taxes imposed under this chapter, claimed equally for seven years, subtracted from
173 the amount of state tax otherwise due for each taxable period and shall not be refundable. Any
174 amount of the community health center new markets tax credit that exceeds the tax due for a
175 taxable year may be carried forward to any of the seven subsequent taxable years.

176 (4) All or any portion of tax credits issued in accordance with the provisions of this
177 section may be allocated to parties who are eligible under the provisions of paragraph (1) of
178 subsection (c). The Community Development Entity that provides federal new markets tax
179 credits to benefit a qualified Massachusetts community health center project shall certify to the
180 commissioner the amount of credit allocated to such taxpayer. The Community Development
181 Entity shall provide to the commissioner appropriate information so that the community health
182 center new markets tax credit can be properly allocated.

183 (5) In the event that recapture of Massachusetts community health center new markets tax
184 credit is required pursuant to paragraph (1) or (2) of subsection (d), any statement submitted to
185 the commissioner as provided in subsection (c) shall include the proportion of the state credit
186 required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of
187 credit previously allocated to such taxpayer.

188 (6) The director of the department, in consultation with the commissioner, shall
189 promulgate regulations necessary to administer the provisions of this paragraph.

190 (d)(1) The taxpayer investing in a project to benefit a qualified Massachusetts community
191 health center project eligible for the Massachusetts community health center new markets tax
192 credit shall submit, at the time of filing the taxpayer's state tax return, a copy of the eligibility
193 statement issued by the department with respect to such qualified Massachusetts community
194 health center project. In the case of failure to attach the eligibility statement, a credit under this
195 section shall not be allowed with respect to such qualified Massachusetts community health
196 center project for that year until the copy is provided to the department of revenue.

197 (2) If under Section 45D of the Internal Revenue Code, as amended, a portion of any
198 federal new markets tax credits is required to be recaptured, the Massachusetts community health
199 center new markets tax credit authorized by this section with respect to such qualified
200 Massachusetts community health center project shall also be recaptured in accordance with
201 regulations promulgated by the commissioner.

202 (e) The commissioner or the department, through the promulgation of regulations, may
203 require the filing of additional documentation necessary to determine the eligibility or accuracy
204 of a tax credit claimed under the provisions of this section.

205 (f)(1) All or any portion of tax credits issued in accordance with the provisions of this
206 section may be transferred, sold or assigned to parties who are eligible under the provisions of
207 paragraph (1) of subsection (c).

208 (2) An owner or transferee desiring to make a transfer, sale or assignment as described in
209 paragraph (1) of subsection (f) shall submit to the commissioner a statement which describes the
210 amount of Massachusetts community health center new markets tax credit for which such
211 transfer, sale or assignment of Massachusetts community health center new markets tax credit is
212 eligible. The owner shall provide to the commissioner appropriate information so that said tax
213 credit can be properly allocated.

214 (3) In the event that recapture of the tax credit is required pursuant to paragraph (1) or
215 (2) of subsection (d), any statement submitted to the commissioner as provided in paragraph (2)
216 of subsection (f) shall include the proportion of the Massachusetts community health center new
217 markets tax credit required to be recaptured, the identity of each transferee subject to recapture
218 and the amount of credit previously transferred to such transferee.

219 (4) The commissioner, in consultation with the department, shall promulgate regulations
220 necessary for the administration of the provisions of paragraph (f).

221 (g) The department, in consultation with the commissioner, shall monitor and oversee
222 compliance with the Massachusetts community health center new markets tax credit program and
223 may promulgate regulations requiring the filing of additional documentation deemed necessary
224 to determine continuing eligibility for the tax credit. The department or the commissioner shall
225 report specific occurrences of noncompliance to appropriate state, federal and local authorities.

226 (i) The department may provide that upon application for state tax credits issued by the
227 department, such taxpayer may elect to receive such state tax credit in the form of a loan
228 generated by transferring the credit to the department or its designee on terms specified by the
229 department in accordance with its qualified allocation plan. Neither a direct tax refund nor a loan
230 received as the result of the transfer of the credit shall be considered taxable income under this
231 chapter.

232 (j) The department may pursue methods of enhancing the efficiency of the Massachusetts
233 community health center new markets tax credit program including but not limited to:—
234 pursuing opinions from the United States department of treasury's internal revenue service in the
235 form of general counsel memoranda, private letter rulings and other notices, rulings or
236 guidelines; by reviewing other state tax programs which utilize an option for taxpayers to receive
237 such tax credit in the form of a loan generated by transferring the credit to a designated state
238 entity; and any other such methods.

239 SECTION 6. Chapter 63 of the General Laws, as appearing in the 2004 official edition,
240 is hereby amended by adding, after section 31K, the following section: --

241 Section 31L. (a) For the purposes of this section, unless the context clearly requires
242 otherwise, the following words shall have the following meanings:-

243 "Commissioner", the commissioner of revenue.

244 "Community Development Entity", a domestic corporation or partnership if (a) the
245 primary mission of the entity is serving, or providing investment capital for, Low-Income
246 Communities or Low-Income Persons; (b) the entity maintains accountability to residents of low-
247 income communities through their representation on any governing board of the entity or on any
248 advisory board to the entity; and (c) the entity is certified by the department as being a qualified
249 community development entity. A qualified community development entity may also be a
250 limited liability company that meets the above tests.

251 "Compliance period", the period of 17 taxable years beginning with the first taxable year
252 the Massachusetts community health center new markets tax credit is claimed.

253 "Department", the executive office of health and human services or its successor agency.

254 "Eligibility statement", a statement authorized and issued by the department certifying
255 that a given project is a qualified Massachusetts community health center project. The
256 department shall, in consultation with the commissioner, promulgate regulations establishing
257 criteria upon which the eligibility statements will be issued. The eligibility statement shall
258 specify the maximum annual amount of the Massachusetts community health center new markets
259 tax credit authorized. The department shall only authorize the tax credits to qualified
260 Massachusetts projects which are placed in service on or after January 1, 2007.

261 “Federal new markets tax credit”, the federal tax credit as provided in section 45D of the
262 Internal Revenue Code, as amended and in effect for the taxable year.

263 “Community Health Center project”, a qualified community health center project, as
264 defined by the department consistent with the federal definition of a qualified active low-income
265 community business contained in section 45D of the Internal Revenue Code, as amended and in
266 effect for the taxable year, which is located in the commonwealth, which meets the requirements
267 of this section, and whose community health center enters into a regulatory agreement with the
268 department.

269 “Qualified Equity Investment”, means any equity investment in a community
270 development entity if (a) such investment is acquired by the investor at its original issue, directly
271 or through an underwriters, solely in exchange for cash; (b) substantially all of such cash is used
272 by the community development entity to make qualified low-income community investments;
273 and (c) the investment is designated for purposes of this section by the community development
274 entity as a qualified equity investment. Qualified equity investment also includes the purchase of
275 a Qualified Equity Investment from a prior holder, to the extent provided in IRC section
276 45D(b)(4). Qualified equity investment does not include an equity investment issued by a
277 community development entity more than five years after the date the community development
278 entity receives a new markets tax credit allocation. Any allocation not used within such five year
279 period may be reallocated by the department. For purposes of this section, “equity investment”
280 means (a) any stock, other than nonqualified preferred stock as defined in IRC section 351(g)(2))
281 in a corporation and (b) any capital interest in a partnership. An LLC shall be deemed to be
282 either a corporation or a partnership according to the LLC’s treatment under federal tax law.

283 “Regulatory agreement”, an agreement between the community health center of the
284 qualified Community Health Center project and the department. Such agreement may be
285 subordinated to the lien of a bank or other institutional lender providing financing to the
286 qualified Massachusetts project, upon the request of such bank or lender.

287 “Taxpayer”, a person, firm, partnership or other entity subject to the income tax imposed
288 by the provisions of this chapter.

289 (b)(1) There is hereby established a Massachusetts community health center new markets
290 tax credit. The department may authorize annually, for the 10 year period beginning January 1,
291 2007, and ending December 31, 2017, under this section together with section 6K of chapter 62,
292 the total sum of 50 per cent of the federal new markets tax credits provided to any taxpayer in
293 exchange for making a qualified equity investment that benefits an eligible Massachusetts
294 community health center pursuant to section 45D of the Internal Revenue Code, as amended and
295 in effect for the taxable year; (2) unused community health center new markets tax credits, if
296 any, for the preceding calendar years; and (3) any Massachusetts community health center new

297 markets tax credits returned to the department by a qualified Massachusetts Community Health
298 Center project.

299 Allowance of the credit, including the amount of the credit, applicable percentage, and
300 credit allowance date, shall be determined consistent with the provisions of paragraph (a) of
301 section 45D of the Internal Revenue Code

302 (2) Unless otherwise provided in this section or the context clearly requires otherwise, the
303 department shall authorize, administer, determine eligibility for the Massachusetts community
304 health center new markets tax credit and allocate the credit consistent with the standards and
305 requirements as set forth in section 45D of the Internal Revenue Code; provided, however, that
306 the combined federal and Massachusetts community health center new markets tax credit shall
307 be the least amount necessary to ensure financial feasibility.

308 (3) The department shall allocate the total available Massachusetts community health
309 center new markets tax credit among as many qualified Massachusetts community health center
310 projects as fiscally feasible, with the goal of strengthening the commonwealth's community
311 health centers.

312 (c)(1) A taxpayer may be allowed a state tax credit with respect to a qualified
313 Massachusetts community health center project that also benefits from a federal new markets tax
314 credit, provided that the department issues an eligibility statement for that qualified
315 Massachusetts community health center project. This state tax credit shall be termed the
316 Massachusetts community health center new markets tax credit.

317 (2) The total Massachusetts community health center new markets tax credit available to
318 a qualified Massachusetts community health center project shall be authorized and allocated by
319 the department, or its successor agency, based on the qualified Massachusetts community health
320 center project's need for the credit for economic feasibility.

321 (3) The Massachusetts community health center new markets tax credit shall be taken
322 against the taxes imposed under this chapter, claimed equally for seven years, subtracted from
323 the amount of state tax otherwise due for each taxable period and shall not be refundable. Any
324 amount of the community health center new markets tax credit that exceeds the tax due for a
325 taxable year may be carried forward to any of the seven subsequent taxable years.

326 (4) All or any portion of tax credits issued in accordance with the provisions of this
327 section may be allocated to parties who are eligible under the provisions of paragraph (1) of
328 subsection (c). The Community Development Entity that provides federal new markets tax
329 credits to benefit a qualified Massachusetts community health center project shall certify to the
330 commissioner the amount of credit allocated to such taxpayer. The Community Development
331 Entity shall provide to the commissioner appropriate information so that the community health
332 center new markets tax credit can be properly allocated.

333 (5) In the event that recapture of Massachusetts community health center new markets tax
334 credit is required pursuant to paragraph (1) or (2) of subsection (d), any statement submitted to
335 the commissioner as provided in subsection (c) shall include the proportion of the state credit
336 required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of
337 credit previously allocated to such taxpayer.

338 (6) The director of the department, in consultation with the commissioner, shall
339 promulgate regulations necessary to administer the provisions of this paragraph.

340 (d)(1) The taxpayer investing in a project to benefit a qualified Massachusetts community
341 health center project eligible for the Massachusetts community health center new markets tax
342 credit shall submit, at the time of filing the taxpayer's state tax return, a copy of the eligibility
343 statement issued by the department with respect to such qualified Massachusetts community
344 health center project. In the case of failure to attach the eligibility statement, a credit under this
345 section shall not be allowed with respect to such qualified Massachusetts community health
346 center project for that year until the copy is provided to the department of revenue.

347 (2) If under Section 45D of the Internal Revenue Code, as amended, a portion of any
348 federal new markets tax credits is required to be recaptured, the Massachusetts community health
349 center new markets tax credit authorized by this section with respect to such qualified
350 Massachusetts community health center project shall also be recaptured in accordance with
351 regulations promulgated by the commissioner.

352 (e) The commissioner or the department, through the promulgation of regulations, may
353 require the filing of additional documentation necessary to determine the eligibility or accuracy
354 of a tax credit claimed under the provisions of this section.

355 (f)(1) All or any portion of tax credits issued in accordance with the provisions of this
356 section may be transferred, sold or assigned to parties who are eligible under the provisions of
357 paragraph (1) of subsection (c).

358 (2) An owner or transferee desiring to make a transfer, sale or assignment as described in
359 paragraph (1) of subsection (f) shall submit to the commissioner a statement which describes the
360 amount of Massachusetts community health center new markets tax credit for which such
361 transfer, sale or assignment of Massachusetts community health center new markets tax credit is
362 eligible. The owner shall provide to the commissioner appropriate information so that said tax
363 credit can be properly allocated.

364 (3) In the event that recapture of the tax credit is required pursuant to paragraph (1) or
365 (2) of subsection (d), any statement submitted to the commissioner as provided in paragraph (2)
366 of subsection (f) shall include the proportion of the Massachusetts community health center new
367 markets tax credit required to be recaptured, the identity of each transferee subject to recapture
368 and the amount of credit previously transferred to such transferee.

369 (4) The commissioner, in consultation with the department, shall promulgate regulations
370 necessary for the administration of the provisions of paragraph (f).

371 (g) The department, in consultation with the commissioner, shall monitor and oversee
372 compliance with the Massachusetts community health center new markets tax credit program and
373 may promulgate regulations requiring the filing of additional documentation deemed necessary
374 to determine continuing eligibility for the tax credit. The department or the commissioner shall
375 report specific occurrences of noncompliance to appropriate state, federal and local authorities.

376 (i) The department may provide that upon application for state tax credits issued by the
377 department, such taxpayer may elect to receive such state tax credit in the form of a loan
378 generated by transferring the credit to the department or its designee on terms specified by the
379 department in accordance with its qualified allocation plan. Neither a direct tax refund nor a loan
380 received as the result of the transfer of the credit shall be considered taxable income under this
381 chapter.

382 (j) The department may pursue methods of enhancing the efficiency of the Massachusetts
383 community health center new markets tax credit program including but not limited to:—
384 pursuing opinions from the United States department of treasury's internal revenue service in the
385 form of general counsel memoranda, private letter rulings and other notices, rulings or
386 guidelines; by reviewing other state tax programs which utilize an option for taxpayers to receive
387 such tax credit in the form of a loan generated by transferring the credit to a designated state
388 entity; and any other such methods.

389 SECTION 7. Section 51 of chapter 111 of the General Laws, as appearing in the 2004
390 Official Edition, is hereby amended by inserting in line 5 after the word "clinic" the following
391 words: -- which term shall include under this section a clinic which as been designated by the
392 department as a community health center pursuant to section 57E of this chapter,

393 SECTION 8. Said chapter 111, as so appearing, is hereby further amended by inserting
394 after section 57D, the following new section:-

395 Section 57E. The department shall, after a public hearing, promulgate rules and
396 regulations for the licensing and conduct of community health centers. For the purpose of this
397 section, the following words shall have the following meanings:

398 "community health center under independent licensure", a clinic which is designated as a
399 community health center by the department for meeting the following requirements: (a) is
400 licensed as a freestanding clinic by the department pursuant to section 51 of chapter 111 of the
401 general laws; (b) meets the qualifications for certification, or provisional certification, by the
402 division of medical assistance, enters into a provider agreement pursuant to 130 CMR 405.404 or
403 any successor provision thereto and is eligible to receive payments from the Uncompensated
404 Care Pool Trust Fund or the Health Safety Net Trust Fund; (c) operates in conformance with the

405 requirements of 42 U.S.C. section 254b; (d) files cost reports if so requested by the division of
406 health care finance and policy; and (e) provides at a minimum the following basic services: (i)
407 primary care services including adult/internal medicine, pediatrics (directly or through formal
408 contractual arrangements) and obstetrics (directly or through formal contractual arrangements);
409 (ii) ancillary services including social services, case management and nutritional counseling; and
410 (iii) community outreach and public health programming through contracts, grants or other
411 funding to populations at risk. Notwithstanding the above, organizations which do not meet the
412 requirements of sections (a) or (c) above, but have been designated "community health centers"
413 by both the division of medical assistance and the division of health care finance and policy prior
414 to January 1, 2006 shall continue to be designated as community health centers under
415 independent licensure, provided that they continue to meet the requirements of sections (b), (d)
416 and (e) above.

417 "community health center under hospital licensure", a clinic which provides
418 comprehensive ambulatory services and which is designated as a community

419 health center by the department for meeting the following requirements: (a) is licensed as
420 an outpatient clinic by the Massachusetts department of public health pursuant to section 51 of
421 chapter 111 of the general laws; (b) meets the qualifications for certification (or provisional
422 certification) by the division of medical assistance, enters into a provider agreement pursuant to
423 130 CMR 410.404 or any successor provision thereto and is eligible to receive payments from
424 the Uncompensated Care Pool Trust Fund or the Health Safety Net Trust Fund; (c) is licensed
425 under the license of a parent hospital, which hospital has a formal written relationship with a not-
426 for-profit corporation which operates the health center, the board of which is comprised of a
427 majority of consumers or which meets the requirements of the subsections (i) and (ii) of section
428 330(j)(3)(H) of the Public Health Service Act (42 USC section 254(b)(j)(3)(H)) or any successor
429 provision thereto); and (d) provides at a minimum the following basic services: (i) primary care
430 services including adult/internal medicine, pediatrics (directly or through formal contractual
431 arrangements) and obstetrics (directly or through formal contractual arrangements); (ii) ancillary
432 services including social services, case management and nutritional counseling; and (iii)
433 community outreach and public health programming through contracts, grants or other funding
434 to populations at risk. Notwithstanding the above, clinics which do not meet the requirements of
435 section (c) above, but which were designated as "community health centers" by both the division
436 of medical assistance and the department of public health prior to January 1, 2006, shall continue
437 to be designated as community health centers under hospital licensure, provided they continue to
438 satisfy the requirements of sections (a), (b) and (d) above.

439 SECTION 9. Section 45A of chapter 112 of the General Laws, as appearing in the 2004
440 official edition, is hereby amended by inserting, after the words “faculty member” in line 18, the
441 following words: -- or is employed by a Massachusetts community health center

442 SECTION 10. Section 55 of chapter 118E of the General Laws, as inserted by section 30
443 of chapter 58 of the acts of 2006, is hereby amended by the striking the definition of "community
444 health center" and inserting in place thereof the following definition:- a community health center
445 described under section 57E of chapter 111 of the general laws.

446 SECTION 11. Subsection (b) of section 56 of chapter 118E , as inserted by section 30 of
447 chapter 58 of the Acts of 2006, is hereby amended by adding, at the end thereof, the following
448 new paragraph:

449 (12) to administer the Essential Community Health Center Trust Fund, established by
450 section 2SSS of chapter 29, and to make expenditures from that fund without further
451 appropriation for the purpose of improving and enhancing the ability of all community health
452 centers, including free-standing and hospital-licensed community health centers, to serve
453 populations in need more efficiently and effectively, including, but not limited to improving the
454 ability of community health centers to provide community-based primary and preventive care,
455 clinical support, care coordination services, disease management services, pharmacy
456 management services, and to eliminate health disparities through a grant program. The office
457 shall consider and respond to the applications of each community health center in awarding the
458 grants, and shall annually equitably apportion grant awards among all applying community
459 health centers. At least thirty days prior to awarding grants to community health centers, the
460 office shall provide a copy of the proposed awards to the chairs of the Joint Committee on Health
461 Care Financing, and the chairs of the House and Senate Committees on Ways and Means.

462 The criteria for grant awards shall include, but not be limited to, the following criteria:—

463 the financial performance of the community health center, including current fiscal year
464 losses;

465 the numbers of patients served who are chronically ill, are pregnant, elderly, or disabled;

466 the payer mix of the community health center;

467 operating costs, and the percentage of total annual operating revenue that funding
468 received in fiscal years 2005, 2006, and 2007 from the Distressed Provider Expendable Trust
469 Fund or the Essential Community Provider Trust fund comprised for the community health
470 center;

471 the cultural and linguistic challenges presented by the populations served;

472 the availability of early periodic screening, diagnosis and treatment (EPSDT) services,
473 340B pharmacy, urgent care, or emergency department diversion services;

474 the need for urgent replacement or upgrades in equipment, furniture or physical space;
475 and

476 other criteria as may be established by the office, in consultation with the Massachusetts
477 League of Community Health Centers.

478 Amounts available to community health centers under this paragraph shall, at a
479 minimum, be equal to one half of the amount of funding made available to all providers under
480 section 95 of chapter 139 of the Acts of 2006.

481 SECTION 12. Paragraph 5 of subsection (a) of Section 60 of said chapter 118E, as so
482 appearing, is hereby amended by inserting, before the word "uninsured" the following words: --
483 underinsured and

484 SECTION 13. Said paragraph 5 of said subsection (a) of said Section 60 of said chapter
485 118E, as so appearing, is hereby amended by adding the following sentence. The office shall
486 pay for: an individual's initial visit to a health center if such visit is not covered by other public
487 or private third-party payer; medically necessary services that are not covered by Commonwealth
488 Care, including medically necessary dental services; and one hundred per cent of the cost of all
489 medical, outreach, behavioral health, dental, radiology, pharmacy, laboratory and other services
490 provided to patients.

491 SECTION 14. General Laws chapter 118E is hereby amended by adding at the end
492 thereof, the following new section.

493 Section 61. (a) Community health centers reimbursed under this chapter shall receive: 1)
494 at least 100% of the Medicare federally qualified health center rate for all services provided to
495 patients, including medical, dental, behavioral health, laboratory, radiology, pharmacy and other
496 services; 2) annual reimbursement increases consistent with the annual reimbursement increases
497 provided by Medicare; 3) wrap-around reimbursement for case management of patients in need
498 of chronic disease management, including but not limited to prenatal care, cardiovascular care,
499 asthma care or other case management; 4) reimbursement for each service provided to a patient,
500 including multiple services provided to a patient in a single day; 5) adequate reimbursement for
501 needed social service care provided to patients; 6) reimbursement for smoking cessation services;
502 and 7) reimbursement for all costs associated with diabetes care, including care management
503 costs, in addition to reimbursements required under section 10C for the diagnosis and treatment
504 of diabetes.

505 (b) The executive office of health and human services or the division shall also provide
506 reimbursement to community health centers for all costs associated with ongoing and necessary
507 customer service training, interpreter services training and cultural competency training.

508 Section 62. The commonwealth shall reimburse all Medicaid managed care organizations
509 according to the same methodology and at the same level within the actuarially sound range, as
510 set by independent actuaries.

511 SECTION 15. Section 1 of chapter 118G of the General Laws, as most recently amended
512 by section 37 of chapter 9 of the acts of 2003, is hereby amended by the striking the definition of
513 "community health center" and inserting in place thereof the following definition:- A community
514 health center described under section 57E of chapter 111 of the general laws.

515 SECTION 16. Section 2 of chapter 118H of the General Laws, as inserted by section 45
516 of chapter 58 of the Acts of 2006, is hereby amended by inserting, after the third sentence, the
517 following sentence: -- Premium contribution payments made by eligible individuals who enroll
518 in a health plan shall not exceed the premium contribution payment established by the board for
519 the lowest cost plan fore each plan type approved by the board.

520 SECTION 17. Said section 2 of said chapter 118H of the General Laws, as so appearing,
521 is hereby amended by inserting, after the word “hospitals” the following words: -- and
522 community health centers

523 SECTION 18. Said section 2 of said chapter 118H of the General Laws, as so appearing,
524 is hereby amended by adding, at the end thereof, the following sentence: -- Any assignment of
525 eligible individuals to a carrier under this chapter shall give preference to maintaining the
526 relationship of an eligible individual to a particular provider. An outreach plan developed under
527 this section shall take into account regional needs statewide, and the number of uninsured and
528 underinsured individuals served by a provider and efforts necessary by such provider to
529 maximize enrollment in the program, including assisting eligible individuals in selecting a health
530 plan.

531 SECTION 19. Section 6 of chapter 118H of the General Laws, as inserted by section 45
532 of chapter 58 of the Acts of 2006, is hereby amended by striking the figure “100” wherever it
533 appears, and inserting in place thereof the figure: -- 200

534 SECTION 20. Paragraph (14) of subsection (a) of section 3 of chapter 176Q of the
535 general laws, as inserted by section 101 of chapter 58 of the Acts of 2006, is hereby amended by
536 inserting, at the end thereof, the following sentence:

537 The board shall give special focus and sensitivity to barriers and limitations that impact
538 special populations, including but not limited to homeless and disabled populations.

539 SECTION 21. Subsection (a) of Section 3 of chapter 176Q, as inserted by section 101 of
540 chapter 58 of the Acts of 2006, is hereby amended by adding the following clause: --

541 (15) to establish and quarterly publish performance standards for companies and firms
542 that contract with the connector to provide administrative, customer service, call center, billing
543 or administrative services.

544 SECTION 22. Section 5 of chapter 176Q, as so appearing, is hereby amended by striking
545 out clause (a) and inserting, in place thereof, the following clause:

546 (a) Only health insurance plans that have been authorized by the commissioner and
547 underwritten by a carrier may be offered through the connector; provided, however, that health
548 benefit plans offered through the commonwealth care health insurance program shall provide for
549 comprehensive dental services.

550 SECTION 23. Notwithstanding any law to the contrary, any individual enrolled in
551 MassHealth shall have the option of enrolling in one of the four Medicaid managed care
552 organizations referenced in section 60 of chapter 324 of the Acts of 2006.

553 SECTION 24. The secretary of the executive office of health and human services, in
554 consultation with the commissioner of public health, the secretary of labor and workforce
555 development, the special advisor to the Governor for education, and the chairs and ranking
556 minority members of the legislature's joint committee on public health and joint committee on
557 labor and workforce development, shall convene a workforce development task force to examine
558 the primary care clinician shortage, including providers in family practice, general internal
559 medicine and general pediatrics, and to increase the pipeline for primary care providers and other
560 health care professionals needed in community health centers and other primary care settings,
561 including, but not limited to: physicians, nurses, optometrists, psychiatrists and other behavioral
562 health clinicians, and dentists. The task force shall make recommendations by July 1, 2007
563 aimed at eliminating said shortage and increasing said pipeline. The task force shall include
564 representatives of community health centers, hospitals, health plans, physician and nursing
565 organizations; labor, business, civic and consumer representatives; representatives of state and
566 private colleges and universities, including community colleges and the University of
567 Massachusetts Medical School; and other organizations and individuals who may be identified
568 by said secretaries, advisor, commissioner, chairs or ranking minority members. The task force
569 shall be convened within 30 days of the passage of this section and shall meet at least monthly.

570 The task force shall, at a minimum, examine the following:

571 (1) cost-effective strategies designed to recruit and retain key health professionals at
572 community health centers and other primary care and community-based settings, which shall
573 include but not be limited to developing mentoring or sabbatical programs for practitioners in
574 primary care;

575 (2) the feasibility, costs and savings associated with career-ladder and other incentive
576 programs in community health centers and other primary care and community-based settings;

577 (3) enhancement of tuition reimbursement, scholarship, loan-forgiveness programs and
578 state repayment of loans for primary care clinicians and other health professionals;

579 (4) opportunities to maximize partnerships and initiatives with medical schools and other
580 higher education institutions to maximize the number of graduates choosing primary care,
581 including family practice, general internal medicine, and general pediatrics;

582 (5) opportunities to capitalize on existing Massachusetts state and community college
583 workforce programs and creating new workforce development programs;

584 (6) barriers to attracting and retaining health care faculty, with particular focus on clinical
585 practice salaries as compared to higher education faculty salaries;

586 (7) incentives to attract and retain health care faculty;

587 (8) opportunities for administrative streamlining for primary care clinicians and
588 identification of the range of barriers to primary care practice;

589 (9) opportunities for streamlining licensing, credentialing and other requirements;

590 (10) programs designed to recruit culturally competent physicians and other health care
591 workers to help reduce health disparities;

592 (11) opportunities to "pool" community-based practitioners to alleviate temporary staff
593 losses;

594 (12) creation of a forecasting tool to assess future workforce needs before critical
595 shortages occur;

596 (13) creation of compensation and benefit strategies that encourage care in community
597 health centers and community-based settings; and

598 (14) identification of other strategies and opportunities aimed at protecting the supply of
599 primary care clinicians in the Commonwealth and increasing the pipeline for all providers
600 needed in primary care settings. The task force shall complete its recommendations, including
601 any recommendations for legislative or regulatory changes, by July 1, 2007 and shall file its
602 recommendations with the house and senate clerks, the joint committees on public health, health
603 care financing, and labor and workforce development, and the house and senate committees on
604 ways and means.

605 SECTION 25. The State Loan Repayment Program administered by the Bureau of
606 Family and Community Health in the Department of Public Health shall annually increase
607 amounts payable under said program and shall annually publish the amounts available and
608 awards issued under said program. For purposes of fulfilling the requirements of such loan
609 repayment, qualifying community health centers may partner with other community health
610 centers in employing qualifying clinicians in order to allow said clinicians to fulfill the
611 requirement of forty hours weekly of employment in a medically underserved area. In fiscal year
612 2008, amounts available under said program shall be increased to at least two times greater than
613 amounts available in fiscal year 2007.

614 SECTION 26. Notwithstanding any general or special law, rule or regulation to the
615 contrary, and in order to achieve efficiencies and minimize the impact on community health

616 center staff and patients, the department of public health shall consolidate and streamline into a
617 single annual audit all audits of Department of Public Health programs that are conducted at
618 community health centers.

619 SECTION 27. Notwithstanding any general or special law, rule or regulation to the
620 contrary, community health centers shall be exempt from all state fees that would otherwise
621 require payment by the community health center to the Commonwealth.

622 SECTION 28. Emergency preparedness efforts undertaken in the Commonwealth and
623 allocation of resources in connection with such efforts shall recognize the essential role of
624 community health centers in: 1) ongoing participation and coordination of emergency planning,
625 training and preparedness efforts; 2) providing outpatient care in the event of a pandemic or
626 other disaster and preventing severe overcrowding in hospital emergency departments; 3)
627 responding to special populations including non-English speaking, low income and elderly
628 residents who live in the neighborhoods where community health centers are located; 4)
629 collaborating with local boards of health and with statewide surge capacity planners; and 5)
630 serving as potential vaccination site or site for mass dispensing of needed pharmaceuticals.
631 Allocation of resources shall take into account the needs of community health centers, including
632 staffing, communications equipment, emergency generators, emergency response kits, including
633 masks, hard hats, safety goggles, face shields, hearing protection, eye wash, and hand sanitizers;
634 pharmaceutical and other medical supplies, and guidebooks and essential publications on mass
635 casualty care strategies, chemical and biological terrorism, hazardous materials incidents, crisis
636 communication, school safety, facility security and other issues.

637 SECTION 29. The Executive Office of Health and Human Services shall consult and
638 collaborate with community health centers and others on continued efforts to:

639 (1) eliminate health disparities;

640 (2) improve MassHealth and Commonwealth Care customer service for patients and
641 providers, including: (a) achieving efficiencies in claims and billing efforts by establishing a
642 uniform billing system for all programs administered under chapter 118E; (b) improving the
643 process of coordination of benefits at MassHealth; and (c) improving telephone waiting times
644 and establishing evening hours for the MassHealth Enrollment Center.

645 (2) monitor the impact of provisions in the federal Deficit Reduction Act on providers
646 and patients;

647 (3) utilize the MassHealth prescription drug formulary and reimbursement schedule for
648 individuals accessing pharmacy services through the Uncompensated Care Pool or the Health
649 Safety Net Trust Fund.

650 (4) establish a community-based research program, including community-based
651 participatory research within the Executive Office of Health and Human Services;

652 (5) create community-based trauma and violence prevention strategies;

653 (6) increase school-based health center services;

654 (7) expand the Commonwealth's PACE program; and

655 (8) maximize public health funding for DPH programs located and implemented at
656 community health center sites, including funding that recognizes the costs of housing such
657 programs.

658 SECTION 30. Within three years from the effective date of this act, community health
659 centers shall be reimbursed for one hundred per cent of reasonable costs incurred in the care of
660 patients receiving services under chapter 118E, 118G and 118H of the General Laws. Medicaid
661 managed care organizations that contract with such health centers shall receive payments from
662 the Commonwealth sufficient to cover such costs.