

HOUSE No. 4138

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to the Cape Care Community Health Trust..

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

1 The Massachusetts General Laws are hereby amended by adding the following:

2 Section 1: Preamble.

3 The foundation for a productive and healthy Barnstable County is a health care system
4 that provides equal access to quality health care for all its residents. Massachusetts spends more
5 on health care per capita than any other state or country in the world, causing undue hardship for
6 the state, municipalities, businesses, and residents, but without achieving universal access to
7 quality health care. In Barnstable County, the worsening economic pressure on care providers
8 has resulted in out-migration, with diminished access to care. The Cape Care Community Health
9 Trust will promote the three main pillars of a just, efficient health care system for our residents:
10 cost control and affordability, universal equitable access, and high quality medical care.

11 (a) Cost Control and Affordability

12 Controlling costs is the most important component of establishing a sustainable health
13 care system for the County. The Cape Care Community Health Trust will control costs by

14 establishing a global budget, by achieving significant savings on administrative overhead
15 through consolidating the financing of our health care system, by volume purchasing of
16 pharmaceuticals and medical supplies, and by more efficient use of our health care facilities and
17 provider network. The strong public health tradition in this county will be strengthened by
18 enhanced data management capabilities, and will lead to improved control of infectious disease
19 and environmental health risks. Our present fragmented system also leads to a lack of effective
20 preventive care. Cape Care will enhance primary care “homes” for all enrolled, coordinating
21 health services and removing barriers to access will promote early detection and intervention,
22 avoiding more serious illnesses and more costly treatments.

23 (b) Universal Equitable Access

24 Thousands of Barnstable County residents still lack health insurance coverage of any
25 sort. Even more residents are covered by plans requiring high deductibles and co-payments that
26 make medical care unaffordable even for the insured. Even with insurance, many barriers impede
27 access to care. The Community Health Care Trust will provide health care access to all residents
28 without regard to financial status, employment status, ethnicity, gender, or previous health
29 problems. Coverage will be continuous and affordable for individuals and families, since there
30 will be minimal or no financial barriers to access, such as co-pays or deductibles. And a
31 coordinated approach to care will assure that continuous primary care and timely access to
32 specialty care is available to all.

33 (c) Quality of Care

34 The World Health Organization rates health outcomes in the United States health care
35 system lower than those of almost all other industrialized countries, and a number of developing

36 countries as well. Poor health outcomes result from the lack of universal access, the lack of
37 oversight on quality due to the fragmentation and complexity of our health care system, and the
38 frequent lack of preventive and comprehensive care benefits offered under commercial health
39 plans. The Trust will reduce errors through information technology, will improve medical care
40 by eliminating much of the present administrative complexity to focus on care, and will
41 incorporate evidence-based, non-commercial education for both providers and consumers. The
42 facilitation of community-wide Electronic Health Records as a means to enhance effective,
43 coordinated and affordable health care, will be a key enhancement possible within a true care-
44 delivery system. The Trust will solicit and evaluate input from patients on the functioning of the
45 health system, and will report to the County and community on outcomes measures.

46 Section 2: Definitions.

47 The following words and phrases as used in this chapter shall have the following
48 meanings, except where the context clearly requires otherwise:

49 “Board” means the board of trustees of the Cape Care Community Health Trust.

50 “Employer” means every person, partnership, association, corporation, trustee, receiver,
51 the legal representatives of a deceased employer and every other person, including any person or
52 corporation operating a railroad and any public service corporation, the state, county, municipal
53 corporation, township, school or road, school board, board of education, curators, managers or
54 control commission, board or any other political subdivision, corporation, or quasi-corporation,
55 or city or town under special charter, or under the commission for of government, using the
56 service of another for pay in the commonwealth.

57 “Executive Director” means the executive director of the Cape Care Community Health
58 Trust.

59 “Health care” means care provided to a specific individual by a licensed health care
60 professional to promote physical and mental health, to treat illness and injury and to prevent
61 illness and injury.

62 “Health care facility” means any facility or institution, whether public or private,
63 proprietary or nonprofit, that is organized, maintained, and operated for health maintenance or
64 for the prevention, diagnosis, care and treatment of human illness, physical or mental, for one or
65 more persons.

66 “Health care provider” means any professional person, medical group, independent
67 practice association, organization, health care facility, or other person or institution licensed or
68 authorized by law to provide professional health care services to an individual in the
69 commonwealth.

70 “Health maintenance organization” means a provider organization that meets the
71 following criteria:

72 (1) Is fully integrated operationally and clinically to provide a broad range of health care
73 services;

74 (2) Is compensated using capitation or overall operating budget; and

75 (3) Provides health care services primarily through direct care providers who are either
76 employees or partners of the organization, or through arrangements with direct care providers or
77 one or more groups of physicians, organized on a group practice or individual practice basis.

78 “Professional advisory board” means a committee of advisors appointed by the Trustees.

79 “Resident” means a person who lives in Barnstable County as evidenced by an intent to
80 continue to live in Barnstable County and to return to Barnstable County if temporarily absent,
81 coupled with an act or acts consistent with that intent. The Trust shall adopt standards and
82 procedures for determining whether a person is a resident. Such rules shall include:

83 (1) a provision requiring that the person seeking resident status has the burden of proof in
84 such determination;

85 (2) a provision requiring reasonable durational domicile requirements not to exceed 2
86 years for long term care and 90 days for all other covered services;

87 (3) a provision that a residence established for the purpose of seeking health care shall
88 not by itself establish that a person is a resident of the County; and

89 (4) a provision that, for the purposes of this chapter, the terms “domicile” and “dwelling
90 place” are not limited to any particular structure or interest in real property. Homeless
91 individuals meeting criteria above shall specifically be considered “resident.”

92 “Trust” means the Cape Care Community Health Trust established in section three of this
93 chapter.

94 Section 3. Establishment of the Cape Care Community Health Trust.

95 There is hereby created an independent body, politic and corporate, to be known as the
96 Cape Care Community Health Trust, also hereinafter referred to as the Trust, to function as the
97 single public agency, or “single payer”, responsible for the collection and disbursement of funds
98 required to provide health care services for every resident of Barnstable County. The Cape Care

99 Community Health Trust is hereby constituted a public instrumentality of the County and the
100 exercise by the Trust of the powers conferred by this chapter shall be deemed and held the
101 performance of an essential governmental function. The Cape Care Community Health Trust is
102 hereby placed in some relation, to be determined, to the Barnstable County Department of
103 Human Services, but shall not be subject to the supervision or control of said office or of any
104 board, bureau, department or other agency of the commonwealth or county except as specifically
105 provided by this chapter.

106 The provisions of chapter two hundred sixty-eight A shall apply to all trustees, officers
107 and employees of the Cape Care Community Health Trust, except that the Cape Care
108 Community Health Trust may purchase from, contract with or otherwise deal with any
109 organization in which any trustee is interested or involved: provided, however, that such interest
110 or involvement is disclosed in advance to the trustees and recorded in the minutes of the
111 proceedings of the Cape Care Community Health Trust: and provided, further, that a trustee
112 having such interest or involvement may not participate in any decision relating to such
113 organization.

114 Neither the Cape Care Community Health Trust nor any of its officers, trustees,
115 employees, consultants or advisors shall be subject to the provisions of section three B of chapter
116 seven, sections nine A, forty-five, forty-six and fifty-two of chapter thirty, chapter thirty B or
117 chapter thirty-one: provided, however, that in purchasing goods and services, the corporation
118 shall at all times follow generally accepted good business practices.

119 All officers and employees of the Cape Care Community Health Trust having access to
120 its cash or negotiable securities shall give bond to the Cape Care Community Health Trust at its

121 expense, in such amount and with such surety as the board of trustees shall prescribe. The
122 persons required to give bond may be included in one or more blanket or scheduled bonds.

123 Trustees, officers and advisors who are not regular, compensated employees of the Cape
124 Care Community Health Trust shall not be liable to the commonwealth, to the Trust or to any
125 other person as a result of their activities, whether ministerial or discretionary, as such trustees,
126 officers or advisors except for willful dishonesty or intentional violations of law. The board of
127 the Cape Care Community Health Trust may purchase liability insurance for trustees, officers,
128 advisors and employees and may indemnify said persons against the claims of others.

129 Section 4: Powers.

130 The Cape Care Community Health Trust shall have the following powers:

131 (1) to make, amend and repeal by-laws, rules and regulations for the management of its
132 affairs;

133 (2) to adopt an official seal;

134 (3) to sue and be sued in its own name;

135 (4) to make contracts and execute all instruments necessary or convenient for the carrying
136 on of the purposes of this chapter;

137 (5) to acquire, own, hold, dispose of and encumber personal, real or intellectual property
138 of any nature or any interest therein;

139 (6) to enter into agreements or transactions with any federal, state or municipal agency or
140 other public institution or with any private individual, partnership, firm, corporation, association
141 or other entity;

142 (7) to appear on its own behalf before boards, commissions, departments or other
143 agencies of federal, state or municipal government;

144 (8) to appoint officers and to engage and employ employees, including legal counsel,
145 consultants, agents and advisors and prescribe their duties and fix their compensations;

146 (9) to establish advisory boards;

147 (10) to procure insurance against any losses in connection with its property in such
148 amounts, and from such insurers, as may be necessary or desirable;

149 (11) to invest any funds held in reserves or sinking funds, or any funds not required for
150 immediate disbursement, in such investments as may be lawful for fiduciaries in the
151 commonwealth pursuant to sections thirty-eight and thirty-eight A of chapter twenty nine;

152 (12) to accept, hold, use, apply, and dispose of any and all donations, grants, bequests and
153 devises, conditional or otherwise, of money, property, services or other things of value which
154 may be received from the United States or any agency thereof, any governmental agency, any
155 institution, person, firm or corporation, public or private, such donations, grants, bequests and
156 devises to be held, used, applied or disposed for any or all of the purposes specified in this
157 chapter and in accordance with the terms and conditions of any such grant. A receipt of each
158 such donation or grant shall be detailed in the annual report of the Cape Care Community Health

159 Trust; such annual report shall include the identity of the donor, lender, the nature of the
160 transaction and any condition attaching thereto;

161 (13) to do any and all other things necessary and convenient to carry out the purposes of
162 this chapters.

163 Section 5: Purposes.

164 The purposes of the Cape Care Community Health Trust shall include the following:

165 (1) To guarantee every Barnstable County resident access to high quality health care by
166 providing reimbursement for all medically appropriate health care services offered by the eligible
167 provider or facility of each resident's choice;

168 (2) To save money by replacing the current mixture of public and private health care
169 plans with a uniform and comprehensive health care plan available to every Barnstable County
170 resident;

171 (3) To replace the redundant private and public bureaucracies required to support the
172 current system with a single administrative and payment mechanism for covered health care
173 services;

174 (4) To use administrative and other savings to:

175 (a) assure affordable coverage to all Barnstable County residents

176 (b) expand covered health care services;

177 (c) contain health care cost increases; and

178 (d) create provider incentives to improving health care service quality and delivery to
179 patients;

180 (5) To participate in the Commonwealth's Determination of Need process for capital
181 needs for health care facilities in Barnstable County. An evaluation and public report on any
182 Determination of Need application will be prepared and submitted to the responsible agency. A
183 decision-making role in that process will be developed.

184 (6) To achieve measurable improvement in health care outcomes;

185 (7) To prevent disease and disability and maintain or improve health and functionality;

186 (8) To ensure that all Barnstable County residents receive care appropriate to their
187 special needs as well as care that is culturally and linguistically competent;

188 (9) To increase satisfaction with the performance of the health care system among health
189 care providers and consumers, including the employers and employees of the county;

190 (10) To implement policies which strengthen and improve culturally and linguistically
191 sensitive care;

192 (11) To develop an integrated population-based health care database to support health
193 care planning.

194 Section 6: Board of Trustees; Composition; Powers and Duties.

195 The Board of Trustees shall consist of one elected representative from each of the six
196 state legislative districts in Barnstable County; and of not less than seven, nor more than eleven,

197 specified ex-officio delegates, for a Board of not less than thirteen nor more than seventeen
198 members.

199 Elected trustees will be chosen every two years, concurrent with the regular election of
200 state representatives.

201 Each Trustee must be a resident of Barnstable County.

202 The terms of elected trustees shall begin with the first Wednesday in January succeeding
203 their election and shall extend to the first Wednesday in January in the third year following their
204 election and until their successors are chosen and qualified.

205 Ex-officio representatives will be selected as delegates by designated organizations on
206 Cape Cod, which have significant involvement or stakeholder role in health care and human
207 services delivery. The initial organizations will be defined in the process of establishing the
208 Trust; and changes thereafter will be by the Board of Trustees.

209 The Board, by a simple majority, may add or remove organizations from the list of those
210 delegating representatives, without altering the term of a sitting ex-officio delegate. In the event
211 that a designated organization ceases to function, the Board may vote another to fill the role and
212 to delegate a representative

213 Each appointed ex-officio trustee shall serve a term of three years; provided, however,
214 that initially two of the total appointed trustees shall serve one-year terms, three shall serve two-
215 year terms, and two shall serve three-year terms. The initial appointed trustees shall be assigned
216 to one, two or three year terms by lot. Any person appointed to fill a vacancy on the board shall
217 serve for the unexpired term of the predecessor trustee. Any appointed trustee shall be eligible

218 for reappointment. Any appointed trustee may be removed from his appointment for cause. No
219 trustee will serve more than three full terms

220 The board shall elect a chair from among its members every two years. A simple majority
221 of trustees shall constitute a quorum, and the affirmative vote of a majority of the trustees present
222 and eligible to vote at a meeting shall be necessary for any action to be taken by the board. The
223 board of trustees shall meet at least ten times each year and will have final authority over the
224 activities of the Cape Care Community Health Trust.

225 The trustees shall be reimbursed for actual and necessary expenses and loss of income
226 incurred for each full day serving in the performance of their duties to the extent that
227 reimbursement of those expenses is not otherwise provided or payable by another public agency
228 or agencies. For purposes of this section, "full day of attending a meeting" shall mean presence
229 at, and participation in, not less than six hours of meeting and travel time

230 No member of the board of trustees shall make, participate in making, or in any way
231 attempt to use his or her official position to influence a decision in which he or she know or has
232 reason to know that he or she, or a family member or a business partner or colleague has a
233 financial interest.

234 (10) The Board will:

235 (a) Be responsible for oversight of administration of Cape Care Community Health Trust,
236 including the Executive Director of the Trust.

237 (b) Establish all necessary policies, and review and amend them from time to time

238 (c) Assure ongoing compliance with an approved "Mission Statement."

- 239 (d) Attempt to resolve disputes that may arise from time to time
- 240 (e) Serve as an Appeals Board for Benefits coverage determinations
- 241 Manage investment of Cape Care Community Health Trust funds; maintain adequate
242 reserves to cover reasonably projected losses; derive safest investment income
- 243 (g) Contract and monitor adequacy of reinsurance
- 244 Establish policy on medical issues, population-based public health issues, research
245 priorities, scope of services, and expanding access to care, based on recommendations of the
246 Professional Advisory Board.
- 247 Evaluate proposals for innovative approaches to health promotion, disease and injury
248 prevention, health education and research, and health care delivery. The specific public health
249 goals of improving diet and exercise patterns, and curtailing tobacco use and smoke exposure
250 will have specific emphasis, for their demonstrated significant role in reducing a population's
251 cardiovascular disease and cancer risks.
- 252 Develop methods for reporting and making recommendations to municipal and/or County
253 government, in order to facilitate improved access to healthy foods, nutrition services and
254 exercise, as well as to limit tobacco use and environmental smoke exposure across the
255 community.
- 256 Establish standards and criteria by which requests by health facilities requiring state
257 approval for capital improvements shall be evaluated, and oversee submission to the
258 Commonwealth of written comment on any such applications, based on those standards and
259 criteria.

260 Oversee preparation of annual operating and capital budgets for the countywide delivery
261 of health care services under the Cape Care Community Health Trust

262 Regularly evaluate system performance for effectiveness, efficiency, accessibility and
263 other review criteria as determined by the Board.

264 Alter administrative structure as circumstances may dictate.

265 Section 7: Executive Director; Purpose and Duties.

266 The board of trustees shall hire an executive director who shall be the executive and
267 administrative head of the Cape Care Community Health Trust and shall be responsible for
268 administering and enforcing the provisions of law relative to the Cape Care Community Health
269 Trust. The director will report to, and be responsible to, the Trustees.

270 The executive director may, as s/he deems necessary or suitable for the effective
271 administration and proper performance of the duties of the Cape Care Community Health Trust
272 and subject to the approval of the board of trustees, do the following:

273 (1) adopt, amend, alter, repeal and enforce, all such reasonable rules, regulations and
274 orders as may be necessary;

275 (2) appoint and remove employees and consultants:

276 The executive director shall:

277 (1) establish an enrollment system that will ensure that all eligible and willing Barnstable
278 County residents are formally enrolled;

279 (2) utilize the purchasing power of the County to negotiate price discounts for
280 prescription drugs and all needed durable and nondurable medical equipment and supplies;

281 (3) negotiate or establish terms and conditions for the provision of high quality health
282 care services and rates of reimbursement for such services on behalf of the residents of the
283 County;

284 (4) develop prospective and retrospective payment systems for covered services to
285 provide prompt and fair payment to eligible providers and facilities;

286 (5) oversee preparation of annual operating budgets for the delivery of health care
287 services;

288 (6) oversee preparation of annual benefits reviews to determine the adequacy of covered
289 services; and

290 (7) prepare an annual report to be submitted to the County Commissioners and to be
291 easily accessible to every Massachusetts resident.

292 Section 8: Medical Director and Quality Assurance Division; Duties and Purpose

293 There shall be a physician medical director, who shall be the chief medical officer of the
294 Cape Care Community Health Trust, and director of the Quality Assurance Division. The powers
295 and duties given the medical director in this chapter and in any other general or special law shall
296 be exercised and discharged subject to the direction, control and supervision of the executive
297 director of the Cape Care Community Health Trust. The medical director shall be appointed by
298 the executive director of the Trust, with the approval of the board of directors, and may, with like

299 approval, be removed. The medical director will serve as chair of the professional advisory
300 committee to provide expert advice.

301 The quality assurance division shall support the establishment and promulgation of a
302 universal, best quality of standard of care with respect to:

303 (1) appropriate staffing levels to assure patient access to providers;

304 (2) appropriate medical technology;

305 (3) design and scope of work in the health workplace; and

306 (4) evidence-based best clinical practices for preventive, therapeutic and restorative
307 medical care.

308 The medical director shall recommend to the executive director a schedule of covered
309 benefits, and a formulary of covered pharmaceuticals. A process shall be established to develop
310 initial recommendations, and ongoing revisions as may be necessary. A process shall be
311 established for appeals from coverage determinations.

312 The medical director shall conduct a comprehensive annual review of the quality of
313 health care services and outcomes throughout the County and submit such recommendations to
314 the board of directors as may be required to maintain and improve the quality of health care
315 service delivery and the overall health of Barnstable County residents. In making its reviews, the
316 quality assurance division shall consult with the regional, administrative, and planning divisions
317 and hold hearings across the County on quality of care issues. The division shall submit to the
318 board of directors its final review and recommendations on how to ensure the highest quality

319 health care service delivery by October 1 of each year. Subject to board approval, the Cape Care
320 Community Health Trust shall adopt the recommendations.

321 Section 9. Professional Advisory Board

322 There shall be a Professional Advisory Board composed of participating health care
323 practitioners and institutions, public health policy experts, clinical pharmacists, health educators,
324 economists, administrators and other professional advisors as are determined to be necessary for
325 health policy development by the executive director. The medical director, as chief medical
326 officer and head of the Quality Assurance Division, will serve as chair.

327 The Board will:

328 Provide representation and develop policy and procedure recommendations to the
329 executive director.

330 Monitor health care promotion and delivery to all covered residents.

331 Recommend to the director a standard benefit package of health care determined to be
332 medically necessary and appropriate. Benefits may be classified as “core” and “elective” with
333 differential coverage offered. A preventive health focus will be an essential value, including a
334 public health approach to screening standards, and assuring that resources are adequate to
335 achieve goals.

336 Evaluate and recommend changes to covered benefits, including new technologies, over
337 time. Reference to authoritative external reviews of costs and benefits will be incorporated.

338 Recommend goals for appropriate allocation of limited financial and health care
339 resources.

340 Be responsible for the drug formulary development, periodic revisions, and oversight of
341 pharmaceutical benefit; with approval of Board of Trustees.

342 Recommend to the executive director a reimbursement schedule, including fee modifiers,
343 in order to implement community health policy goals.

344 Recommend health manpower development goals to meet regional care needs.

345 Oversee the credentialing process for all eligible practitioners.

346 Oversee development of systems to facilitate integrated, effective and efficient health
347 care delivery, in an organization where providers will continue to be independently owned and
348 managed. This will involve the following probable components

349 Coverage determinations, and payment and/or provider reimbursement schedules. These
350 would be evidence-based, reflect best practices, and would encourage provision of all necessary
351 and appropriate community health care services. Assuring access to primary care providers for
352 all residents will be a priority.

353 Monitoring of community health trends for health care planning, and support for
354 initiatives to improve health indicators.

355 Claims data analysis for disease patterns and variance, as surveillance for acute- and
356 chronic-illness risk reduction.

357 Long-term health trends and unusual patterns

358 Coordination with findings of Barnstable County Health and Human Resources reports
359 and staff and Town health departments.

360 Education of health care consumers and providers, especially concerning appropriate
361 utilization of health care resources.

362 Evaluate and recommend practice support systems as determined necessary.

363 Section 10: Administrative Division; Director; Purpose and Duties.

364 There shall be an administrative division within the Cape Care Community Health Trust,
365 which shall be under the supervision and control of a director. The powers and duties given the
366 director in this chapter and in any other general or special law shall be exercised and discharged
367 subject to the direction, control and supervision of the executive director of the Trust. The
368 director of the administrative division shall be appointed by the executive director of the Trust,
369 with the approval of the board of trustees, and may, with like approval, be removed.

370 The director shall establish a professional advisory committee, composed of participating
371 health care practitioners and institutions, public health policy experts, clinical pharmacists, health
372 educators, economists, administrators and other professional advisors as are determined to be
373 necessary for health policy development, to provide expert advice.

374 The administrative division shall have day-to-day responsibility for:

375 (1) making prompt payments to providers and facilities for covered services;

376 (2) collecting reimbursement from private and public third party payers and individuals
377 for services not covered by this chapter or covered services rendered to non-eligible patients;

378 (3) developing information management systems needed for provider payment, rebate
379 collection and utilization review;

380 (4) investing trust fund assets consistent with state law and section nineteen of this
381 chapter;

382 (5) developing operational budgets for the Cape Care Community Health Trust; and

383 (6) assisting the planning division to develop any capital budgets for the Cape Care
384 Community Health Trust.

385 Section 11: Planning Division; Director; Purpose and Duties.

386 There shall be a planning division within the Cape Care Community Health Trust, which
387 shall be under the supervision and control of a director. The powers and duties given the director
388 in this chapter and in any other general or special law shall be exercised and discharged subject
389 to the direction, control and supervision of the executive director of the Cape Care Community
390 Health Trust. The director of the planning division shall be appointed by the executive director of
391 the Trust, with the approval of the board of trustees, and may, with like approval, be removed.
392 The director may, at his/her discretion, consult with or refer to the professional advisory
393 committee to provide expert advice.

394 The planning division shall have responsibility for coordinating health care resources to
395 ensure all eligible participants reasonable access to covered services. The responsibilities shall
396 include but are not limited to:

397 (1) an annual review of the adequacy of health care resources throughout the County and
398 recommendations for changes. Specific areas to be evaluated include but are not limited to the
399 resources needed for underserved populations and geographic areas, for culturally and

400 linguistically competent care, and for emergency and trauma care. The director shall develop
401 short term and long term plans to meet health care needs.

402 (2) an annual review of capital health care needs. Included in this evaluation, but not
403 limited to it are recommendations for a budget for all health care facilities, evaluating all capital
404 expenses in excess of a threshold amount to be determined annually by the executive director,
405 and collaborating with local and statewide government and health care institutions to coordinate
406 capital health planning and investment. The director shall develop short term and long term plans
407 to meet covered health care expenditure needs.

408 In making its review, the planning division shall hold hearings on proposed
409 recommendations. The division shall submit to the board of trustees its final review and
410 recommendations by October 1 of each year. Subject to board approval, the Cape Care
411 Community Health Trust shall adopt the recommendations.

412 Section 12: Information Technology Division; Purpose & Duties.

413 There shall be an information technology division within the Cape Care Community
414 Health Trust, which shall be under the supervision and control of a director. The powers and
415 duties given the director in this chapter and in any other general or special law shall be exercised
416 and discharged subject to the direction, control and supervision of the executive director of the
417 Cape Care Community Health Trust. The director of the information technology division shall be
418 appointed by the executive director of the Trust, with the approval of the board of trustees, and
419 may, with like approval, be removed. The director may, at his/her discretion, consult with or
420 refer to the professional advisory committee to provide expert advice.

421 The responsibilities of the information technology division shall include but are not
422 limited to:

423 (1) developing a confidential electronic medical records system and prescription system
424 in accordance with laws and regulations to maintain accurate patient records and to simplify the
425 billing process, thereby reducing medical errors and bureaucracy;

426 (2) developing a tracking system to monitor quality of care, establish a patient data base
427 and promote preventive care guidelines and medical alerts to avoid errors.

428 Notwithstanding that all billing shall be performed electronically, patients shall have the
429 option of keeping any portion of their medical records separate from their electronic medical
430 record. The information technology director shall work closely with the directors of the regional,
431 administrative, planning and quality assurance divisions. The information technology division
432 shall make an annual report to the board of trustees by October 1 of each year. Subject to board
433 approval, the Trust shall adopt the recommendations.

434 Section 13: Regional Offices.

435 Cape Care shall maintain three physical sites as home bases for health promotion and
436 wellness activities, as well as other member services, one in the upper Cape, one in the mid-Cape
437 and one on the outer Cape. The trustees shall review the adequacy and appropriateness of the
438 number and location of local offices at least once every three years.

439 Section 14: Eligible Participants.

440 Those persons who shall be recognized as eligible to participate in the Cape Care
441 Community Health Trust plan shall include:

442 (1) All Barnstable County residents, as defined in Section 2, are eligible for enrollment
443 and coverage, regardless of employment status. No mandate to utilize the Cape Care Community
444 Health Trust for coverage of health care services is expressed or implied.

445 Payment for emergency care of Barnstable County residents obtained out of county shall
446 be at prevailing local rates. Payment for non-emergency care of Barnstable County residents
447 obtained out-of-county shall be according to rates and conditions established by the executive
448 director. The executive director may require that a resident be transported back to Massachusetts
449 when prolonged treatment of a condition is necessary.

450 Visitors to Barnstable County shall be billed, or have their insurance billed, for all
451 services received under the Cape Care Community Health Trust. The executive director of the
452 Trust may establish intergovernmental arrangements with the Commonwealth of Massachusetts,
453 and other states and countries to provide reciprocal coverage for temporary visitors.

454 Section 15: Eligible Health Care Providers and Facilities.

455 Eligible health care providers and facilities shall include an agency, facility, corporation,
456 individual, or other entity directly rendering any covered benefit to an eligible patient: provided,
457 however, that the provider or facility:

458 (1) is licensed to operate or practice in the commonwealth;

459 (2) furnishes a signed agreement that:

460 (a) all health care services shall be provided without discrimination on the basis of age,
461 sex, race, national origin, sexual orientation, income status or preexisting condition;

462 (b) the provider or facility shall comply with all state and federal laws regarding the
463 confidentiality of patient records and information;

464 (c) no balance billing or out-of-pocket charges shall be made for covered services unless
465 otherwise provided in this chapter; and

466 (d) the provider or facility shall furnish such information as may be reasonably required
467 by the Trust for making payment, verifying reimbursement and rebate information, utilization
468 review analyses, statistical and fiscal studies of operations and compliance with state and federal
469 law;

470 (3) meets state and federal quality guidelines including guidance for safe staffing, quality
471 of care, and efficient use of funds for direct patient care;

472 (4) meets any additional requirements that may be established by the Cape Care
473 Community Health Trust.

474 Section 16: Prospective Payments to Eligible Health Care Providers and Facilities for
475 Operating Expenses.

476 The Cape Care Community Health Trust shall negotiate or establish, with eligible health
477 care providers, health care facilities or groups of providers or facilities, payment rates for
478 covered services. Such payment rates may be made on a fee for service, capitated system or
479 overall operating budget basis and shall remain in effect for a period of 12 months unless sooner
480 modified by the Trust. Except as provided in section sixteen of this chapter, reimbursement for
481 covered services by the Cape Care Community Health Trust shall constitute full payment for the
482 services rendered.

483 Prospective payments provided under this section can be used only to pay for the
484 operating costs of eligible health care providers or facilities, including reasonable expenditures,
485 as determined through budget negotiations with the Cape Care Community Health Trust, for the
486 maintenance, replacement and purchase of equipment. Payments for operating expenses shall not
487 be used for payment of exorbitant salaries. Any prospective payments made in excess of actual
488 costs for covered services shall be returned to the Cape Care Community Health Trust.
489 Prospective payment rates and schedules shall be adjusted annually to incorporate retrospective
490 adjustments.

491 Section 17: Retrospective Payments to Eligible Health Care Providers and Facilities for
492 Operating Expenses.

493 The Cape Care Community Health Trust shall provide for retrospective adjustment of
494 payments to eligible health care facilities and providers to:

495 (1) assure that payments to such providers and facilities reflect the difference between
496 actual and projected utilization and expenditures for covered services; and

497 (2) protect health care providers and facilities who serve a disproportionate share of
498 eligible participants whose expected utilization of covered health care services and expected
499 health care expenditures for such services are greater than the average utilization and expenditure
500 rates for eligible participants statewide.

501 Section 18: Funding for Capital Investments by Eligible Health Care Providers and
502 Facilities.

503 The Cape Care Community Health Trust shall not directly fund capital investments;
504 however, eligible health care providers and facilities may utilize operating income derived from
505 provision of covered services to fund such capital investments.

506 Section 19: Covered Benefits.

507 (1) The Cape Care Community Health Trust shall pay for all professional services
508 provided by eligible providers and facilities to eligible participants needed to:

509 (a) provide high quality, appropriate and medically necessary health care services;

510 (b) encourage reductions in health risks and increase use of preventive and primary care
511 services;

512 (c) assure a primary care "medical home" for every enrolled Barnstable resident.

513 (d) integrate physical health, mental and behavioral health and substance abuse services.

514 (2) Standard covered benefits shall include all high quality health care determined to be
515 medically necessary or appropriate, and recommended by the Professional Advisory Board and
516 approved by the Trustees, including, but not limited to, the following:

517 (a) prevention, diagnosis and treatment of illness and injury, including immunizations,
518 laboratory, diagnostic imaging, inpatient, ambulatory and emergency medical care, blood and
519 blood products, dialysis, organ transplants, endoscopic screening, mental health services,
520 acupuncture, physical therapy, chiropractic and podiatric services, and a specialist second-
521 opinion option;

522 (b) promotion and maintenance of health through appropriate screening, counseling, and
523 nutrition and health education;

524 (c) the rehabilitation of sick and disabled persons, including physical, occupational,
525 speech, psychological, and other specialized therapies;

526 (d) prenatal, perinatal and maternity care, family planning, fertility and reproductive
527 health care, and genetic counseling;

528 (e) developmental evaluation; medical and behavioral;

529 (f) behavioral health services, including effective mental illness prevention
530 strategies; inpatient and outpatient testing, diagnosis, counseling, and treatment in the
531 most appropriate settings; coordination with medical providers; and advocacy services as
532 indicated.

533 (g) clinical nutrition services;

534 (h) medical social work services;

535 (i) home health care including personal care; other needed support services; foster care;
536 adult day care;

537 (j) long term care in institutional and community-based settings;

538 (k) hospice care, both inpatient and at-home;

539 (l) language interpretation and such other medical or remedial services as the Trust shall
540 determine.

- 541 (m) emergency and other medically necessary transportation;
- 542 (n) dental services, other than cosmetic dentistry;
- 543 (o) basic vision care and correction, other than laser vision correction for cosmetic
544 purposes;
- 545 (p) hearing evaluation and treatment including hearing aids;
- 546 (r) podiatry services;
- 547 (s) prescription drugs;
- 548 (t) durable and non-durable medical equipment, supplies, prosthetics and appliances.
- 549 (3) Mental health services
- 550 (a) Services for mental illness shall be integrated, to the extent possible, with
551 comprehensive health care delivery
- 552 (b) Communication between disciplines will be facilitated.
- 553 (c) Centralized triage and referral will facilitate timely, appropriate evaluation and
554 therapy
- 555 (d) Reduction of barriers to access services is critical.
- 556 (e) Suicide prevention strategies will be more available through a community wide
557 network of efforts.
- 558 1. Cape-wide on-call teams

559 2. central phone resource line

560 3. community education

561 4. police training

562 (4) Because tobacco abuse, poor diet choices, inadequate physical exercise and alcohol
563 account for over a third of all deaths, and that individual choices significantly predict health
564 outcomes, a comprehensive wellness and health promotion program will be central. Individual
565 Health Resources Assessment will be conducted for all enrollees.

566 (a) Financial and other incentives to risk-reduction behaviors for participants and
567 providers shall be offered.

568 (b) Adequate resources must available and affordable to the system.

569 (c) Public health focus on tobacco, diet and physical exercise in collaboration with other
570 community agencies will be developed.

571 (d) Linked electronic medical records shall be utilized for their potential to prompt all
572 providers to interventions.

573 (5) Standards for appropriate utilization of covered services shall be promulgated. These
574 will be evidence-based, transparently developed, and open. An appeal process for exceptions to
575 non-covered benefits must be elaborated and shall be available.

576 (6) Not covered shall be therapies and procedures determined by the director to be
577 principally of cosmetic intent.

578 (7) Co-payments for services must not present a barrier to access to essential “core”
579 health care services.

580 (a) cost sharing may be required of care that is designated “elective.”

581 (b) Such determination of covered services considered “core” and “elective” shall be
582 through an initial and open periodic review of covered services.

583 (8) No annual deductibles will be imposed.

584 (9) Patients shall have free choice of participating physicians and other clinicians,
585 hospitals and other inpatient care facilities.

586 Section 20: Funding Sources.

587 The Cape Care Community Health Trust shall be the repository for all health care funds
588 and related administrative funds. The sources of Cape Care Community Health Trust funding
589 shall include the following:

590 (1) All monies saved by

591 (a) simplifying administration of health care finance;

592 (b) achieving volume purchase discounts on pharmaceuticals, medical supplies, and
593 specialized services;

594 (c) early detection and intervention for health problems through timely, universally
595 available primary and preventive care;

596 (d) reduction in clinical waste, both related to inadequate access, as well as over-
597 utilization of resources, and to the costs associated with preventable harm.

598 (2) All monies the commonwealth currently appropriates to pay for health care services
599 or health insurance premiums for enrolled residents in Barnstable County, including but not
600 limited to, all current state programs which provide covered benefits and appropriations to cities,
601 towns and other governmental subdivisions to pay for health care services or health insurance
602 premiums; provided, however, that the Trust shall then assume responsibility for all benefits and
603 services previously paid for by the commonwealth with these funds. All current state health care
604 programs that provide covered benefits shall be included in this requirement. The executive
605 director shall seek from the Legislature a contribution for health care services that shall not
606 decrease in relation to state government expenditures of health care services in the year that this
607 chapter is enacted.

608 (a) The Cape Care Community Health Trust shall qualify as a health maintenance
609 organization recognized and accepted under the MassHealth program, and receive payments for
610 enrolled residents as the community default provider.

611 (b) According to the requirements of Ch. 58 (The Commonwealth Care program) every
612 resident of the Commonwealth of Massachusetts is required to have health care insurance
613 coverage that satisfies certain criteria of adequacy. The coverage provided under the Trust will
614 meet all such criteria, and the Trust shall qualify as a health maintenance organization
615 recognized and accepted by the Commonwealth Care and Connector programs as a valid
616 insurance plan option. As the community default provider, an extensive network of care for
617 enrolled Barnstable Residents will be available.

618 All monies the commonwealth receives from the federal government to pay for health
619 care services or health insurance premiums for enrolled residents in Barnstable County;
620 provided, however, that the Trust shall then assume responsibility for all benefits and services
621 previously paid by the federal government with these funds. The Trust shall seek to maximize all
622 sources of federal financial support for health care services in Barnstable County. Accordingly,
623 the executive director shall seek all necessary waivers, exemptions, agreements, or legislation, if
624 needed, so that all current federal payments for health care shall, consistent with the federal law,
625 be paid directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or
626 legislation, the executive director shall seek from the federal government a contribution for
627 health care services in Massachusetts that shall not decrease in relation to the contribution to
628 other states as a result of the waivers, exemptions, agreements, or legislation.

629 The Cape Care Community Health Trust shall qualify as a health maintenance
630 organization recognized and accepted by Medicare, and shall receive payments for the care of
631 enrolled residents, as the community default provider under the Medicare Advantage program.
632 Enrolled Medicare Advantage participants will be covered for all standard Trust plan benefits.

633 Prior to obtaining any federal program's financing through the Cape Care Community
634 Health Trust, the Trust will seek to ensure that participants eligible for federal program coverage
635 receive access to care and coverage equal to that of all other Trust participants. It shall do so by:

636 (a) paying for all services enumerated above not covered under the relevant federal plans;

637 (b) paying for all such services during any federally mandated gaps in participants'
638 coverage; and

639 (c) paying for any premiums, deductibles, co-payments, co-insurance or other cost
640 sharing incurred by such participants.

641 All monies collected by cities, towns and other governmental subdivisions to pay for
642 health care services or health insurance premiums for enrolled residents; provided, however, that
643 the Trust shall then assume responsibility for all benefits and services previously paid for by
644 those governmental subdivisions with these funds.

645 All monies collected through a Barnstable County Health Tax:

646 (a) The services delivered to eligible and enrolled Barnstable residents shall additionally,
647 be funded in some part in accordance with the procedures established by the Barnstable county
648 home rule charter, and in accordance with this section.

649 (b)A budget proposal reflecting anticipated revenues and expenses for the following
650 fiscal year shall be submitted annually in accordance with Barnstable county administrative and
651 budgetary procedures.

652 (c) Subject to the terms and conditions of the Barnstable county home rule charter, the
653 Cape Care Community Health Trust may accept funding including, including certain state tax
654 revenues, and grants from public or private persons or entities. Such receipts shall be applied to
655 the cost of operation of the Cape Care Community Health Trust.

656 (d) To the extent that the amounts for the Cape Care Community Health Trust budget
657 exceed revenues derived under subsection (c) such excess amounts may be raised in accordance
658 with sections thirty and thirty-one of chapter thirty-five of the General Laws. Any such excess
659 amounts shall be exempt from the provisions of section twenty A of chapter fifty-nine of the

660 General Laws and amounts so assessed by the county or any municipality shall not be included
661 in calculating the total taxes assessed under subsection (a) or the maximum levy limit under
662 subsection (f) for such municipality under section twenty-one C of chapter fifty-nine of the
663 General Laws. Any such assessment made upon the municipalities of Barnstable county in
664 accordance with sections thirty and thirty-one of chapter thirty-five of the General Laws shall be
665 indicated separately from all other county taxes within the assessments made by the assessors
666 thereof. Any amounts received under the assessments made pursuant to this subsection or
667 pursuant to paragraph (ii) shall be deposited into The Cape Care Community Health Trust.

668 (7) All monies collected through payment of an Employer Health Care Contribution by
669 all employers, based on total payroll, starting with the enactment of the benefit plan of the Cape
670 Care Community Health Trust, as determined by the Trust in consultation with the Department
671 of Revenue. The amount of this Contribution shall be in line with, or less than, the average
672 contributions that employers make toward employee health benefits as of the effective date of
673 this act, adjusted to a rate less than national health care inflation or deflation. The Contribution
674 shall be collected through the Department of Revenue for deposit in the Trust Fund.

675 (a) Any employer that pays to the Department of Revenue such a Employer Health Care
676 Contribution will be recognized as meeting the obligation for coverage under the provisions of
677 Ch. 58.

678 (b) Any employer that has a contract with an insurer, health services corporation or health
679 maintenance organization to provide health care services or benefits for its employees, which is
680 in effect on the effective date of this section, shall be entitled to an income tax credit against

681 premiums otherwise due in an amount equal to the Employer Health Care Contribution due,
682 pursuant to this section.

683 (c) Any insurer, health services corporation, or health maintenance organization which
684 provides health care services or benefits under a contract with an employer which is in effect on
685 the effective date of this act, with any employees electing Cape Care Community Health Trust
686 coverage shall pay to the Trust an amount equal to the Employer Health Care Contribution which
687 would have been paid by the employer if the contract with the insurer, health services
688 corporation or health maintenance organizations were not in effect, through the plan year. For
689 purposes of this section, the term “insurer” includes union health and welfare funds and self-
690 insured employers.

691 (d) All employers in Barnstable County will be required to fully disclose to employees
692 residing in Barnstable county, clearly understandable information concerning the comparative
693 availability, scope of covered benefits, health care providers and ancillary services, of the Cape
694 Care Community Health Trust plan.

695 (8) All monies collected from collateral sources through coordination of benefits, for
696 payment for health care services covered by the Trust. It is the intent of this act to establish a
697 single public payer for all health care in the County. However, until such time as the role of all
698 other payers for health care has been terminated, health care costs shall be collected from
699 collateral sources whenever medical services provided to an individual are, or may be, covered
700 services under a policy of insurance, health care service plan, or other collateral source available
701 to that individual, or for which the individual has a right of action for compensation to the extent
702 permitted by law.

703 As used in this section, collateral source includes all of the following:

704 (a) insurance policies written by insurers, including the medical components of
705 automobile, homeowners, worker's compensation and other forms of liability insurance;

706 (b) health care service plans and pension plans;

707 (c) employers;

708 (d) employee benefit contracts;

709 (e) government benefit programs;

710 (f) a judgment for damages for personal injury;

711 (g) any third party who is or may be liable to an individual for health care services or
712 costs;

713 As used in this section, collateral sources do not include either of the following:

714 (a) a contract or plan that is subject to federal preemption;

715 (b) any governmental unit, agency, or service, to the extent that subrogation is prohibited
716 by law.

717 An entity described as a collateral source is not excluded from the obligations imposed by
718 this section by virtue of a contract or relationship with a governmental unit, agency, or service.

719 The executive director shall attempt to negotiate waivers, seek federal legislation, or
720 make other arrangements to incorporate collateral sources in Massachusetts into the Trust.

721 Whenever an individual receives health care services under the system and s/he is entitled
722 to coverage, reimbursement, indemnity, or other compensation from a collateral source, s/he
723 shall notify the health care provider or facility and provide information identifying the collateral
724 source other than federal sources, the nature and extent of coverage or entitlement, and other
725 relevant information. The health care provider or facility shall forward this information to the
726 executive director. The individual entitled to coverage, reimbursement, indemnity, or other
727 compensation from a collateral source shall provide additional information as requested by the
728 executive director.

729 The Cape Care Community Health Trust shall seek reimbursement from the collateral
730 source for services provided to the individual, and may institute appropriate action, including
731 suit, to recover the costs to the Trust. Upon demand, the collateral source shall pay to the Cape
732 Care Community Health Trust the sums it would have paid or expended on behalf of the
733 individuals for the health care services provided by the Trust.

734 If a collateral source is exempt from subrogation or the obligation to reimburse the Trust
735 as provided in this section, the executive director may require that an individual who is entitled
736 to medical services from the collateral source first seek those services from that source before
737 seeking those services from the Cape Care Community Health Trust.

738 To the extent permitted by federal law, contractual retiree health benefits provided by
739 employers shall be subject to the same subrogation as other contracts, allowing the Trust to
740 recover the cost of services provided to individuals covered by the retiree benefits, unless and
741 until arrangements are made to transfer the revenues of the benefits directly to the Cape Care
742 Community Health Trust.

743 Default, underpayment, or late payment of any tax, premium, or other obligation imposed
744 by the Trust shall result in the remedies and penalties provided by law, except as provided in this
745 section.

746 Eligibility for benefits shall not be impaired by any default, underpayment, or late
747 payment of any tax, premium, or other obligation imposed by the Cape Care Community Health
748 Trust.

749 (9) The Cape Care Community Health Trust shall retain:

750 (a) all charitable donations, gifts, grants or bequests made to it from whatever source
751 consistent with state and federal law;

752 (b) payments from third party payers for covered services rendered by eligible providers
753 to non-eligible patients but paid for by the Cape Care Community Health Trust;

754 (c) income from the investment of Trust assets, consistent with state and federal law.

755 Section 21: Insurance disclosure.

756 Insurers regulated by the division of insurance, will be required to fully disclose, to
757 prospective purchasers residing in Barnstable county, clearly understandable information
758 concerning the comparative availability, scope of covered benefits, health care providers and
759 ancillary services, of the Cape Care Community Health Trust plan.

760 Section 22: Health Trust regulatory authority.

761 The Cape Care Community Health Trust shall adopt and promulgate regulations to
762 implement the provisions of this chapter. The initial regulations may be adopted as emergency

763 regulations but those emergency regulations shall be in effect only from the effective date of this
764 chapter until the conclusion of the transition period.

765 Section 23: Implementation of the Health Care Trust.

766 The first meeting of the Directors shall take place within ninety days of enactment of this
767 legislation.

768 The Cape Care Community Health Trust shall complete its period of transition within
769 two years of enactment of this legislation. Full implementation of the benefit plan of the Cape
770 Care Community Health Trust shall be completed within three years of enactment of this
771 legislation.