

SENATE No. 556

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act Relative to Equitable Funding for the Division of Health Care Finance and Policy.

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

1 SECTION 1: Chapter 118G of the General Laws, as appearing in the 2006 official
2 edition, is hereby amended by striking out section 5 and inserting in place thereof the following
3 section:

4 Section 5. Each acute hospital shall pay to the commonwealth an amount for the
5 estimated expenses of the division and of the health safety net office, established by section 35.
6 The amount shall be equal to the amount appropriated by the general court for the expenses of
7 the division of health care finance and policy and of the health safety net office minus amounts
8 collected from (1) filing fees, (2) fees and charges generated by the division's publication or
9 dissemination of reports and information, (3) federal matching revenues received for these
10 expenses or received retroactively for expenses of predecessor agencies; provided however that
11 this amount shall not exceed the hospital specific amount assessed by the Division in state Fiscal
12 Year 2008. Each acute hospital shall pay such amount multiplied by the ratio of the hospital's
13 gross patient service revenues to the total of all acute hospitals gross patient services revenues.
14 Each acute hospital shall make a preliminary payment to the division on October first of each

15 year in an amount equal to one-half of the previous year's total assessment. Thereafter, each
16 hospital shall pay, within thirty days notice from the division, the balance of the total assessment
17 for the current year based upon its most current projected gross patient service revenue. The
18 division shall subsequently adjust the assessment for any variation in actual and estimated
19 expenses of the division of health care finance and policy and for changes in hospital gross
20 patient service revenue. Such estimated and actual expenses shall include an amount equal to the
21 cost of fringe benefits, as established by the division of administration pursuant to section six B
22 of chapter twenty-nine. Provided, however, the assessment to hospitals shall not exceed the
23 hospital specific amount assessed by the Division in state Fiscal Year 2008. In the event of late
24 payment by any such hospital, the treasurer shall advance the amount of due and unpaid funds to
25 the division prior to the receipt of such monies in anticipation of such revenues up to the amount
26 authorized in the then current budget attributable to such assessments, and the division shall
27 reimburse the treasurer for such advances upon receipt of such revenues. The provisions of this
28 paragraph shall not apply to any state institution or to any acute hospital which is operated by a
29 city or town.

30 SECTION 2: The Commissioner of the Division of Health Care Finance and Policy shall
31 report to the Joint Committee on Health Care Financing and the House and Senate Committees
32 on Ways and Means on or before October 1, 2009 regarding the scope of work of the division
33 and recommendations for assessments on entities other than acute care hospitals consistent with
34 said scope of work.