

**SENATE . . . . . No. 1105**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*John Hart, Jr.*

*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 adoption of the accompanying bill:

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:

*John Hart, Jr.*

DISTRICT/ADDRESS:

**SENATE . . . . . No. 1105**

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By Mr. Hart, petition (accompanied by bill, Senate, No. 1105) of Hart 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 [Joint Committee on Public Health].

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

**The Commonwealth of Massachusetts**

—————  
**In the Year Two Thousand Eleven**  
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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:*

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

3           Section 16P. The Secretary of Health and Human Services, jointly with the  
4 Commissioner of Public Health, the Massachusetts League of Community Health Centers and  
5 the University of Massachusetts Medical School and in consultation with other health  
6 professionals and organizations, shall establish a State Health Service Corps for the purpose of  
7 uniting community health centers with caring health professionals, and supporting community-  
8 based care at community health centers. The goal of the State Health Service Corps shall be to  
9 provide comprehensive team-based health care at community health centers that bridges

10 geographic, financial, cultural, and language barriers for the medically underserved. The State  
11 Health Service Corp shall:

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

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

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

467 the payer mix of the community health center;

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

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

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

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

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



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

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

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

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

494           Section 61. (a) Community health centers reimbursed under this chapter shall receive: 1)  
495           at least 100% of the Medicare federally qualified health center rate for all services provided to  
496           patients, including medical, dental, behavioral health, laboratory, radiology, pharmacy and other  
497           services; 2) annual reimbursement increases consistent with the annual reimbursement increases  
498           provided by Medicare; 3) wrap-around reimbursement for case management of patients in need  
499           of chronic disease management, including but not limited to prenatal care, cardiovascular care,  
500           asthma care or other case management; 4) reimbursement for each service provided to a patient,

501 including multiple services provided to a patient in a single day; 5) adequate reimbursement for  
502 needed social service care provided to patients; 6) reimbursement for smoking cessation services;  
503 and 7) reimbursement for all costs associated with diabetes care, including care management  
504 costs, in addition to reimbursements required under section 10C for the diagnosis and treatment  
505 of diabetes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

554 SECTION 24. The secretary of the executive office of health and human services, in  
555 consultation with the commissioner of public health, the secretary of labor and workforce  
556 development, the special advisor to the Governor for education, and the chairs and ranking  
557 minority members of the legislature's joint committee on public health and joint committee on  
558 labor and workforce development, shall convene a workforce development task force to examine  
559 the primary care clinician shortage, including providers in family practice, general internal  
560 medicine and general pediatrics, and to increase the pipeline for primary care providers and other  
561 health care professionals needed in community health centers and other primary care settings,  
562 including, but not limited to: physicians, nurses, optometrists, psychiatrists and other behavioral  
563 health clinicians, and dentists. The task force shall make recommendations by July 1, 2007

564 aimed at eliminating said shortage and increasing said pipeline. The task force shall include  
565 representatives of community health centers, hospitals, health plans, physician and nursing  
566 organizations; labor, business, civic and consumer representatives; representatives of state and  
567 private colleges and universities, including community colleges and the University of  
568 Massachusetts Medical School; and other organizations and individuals who may be identified  
569 by said secretaries, advisor, commissioner, chairs or ranking minority members. The task force  
570 shall be convened within 30 days of the passage of this section and shall meet at least monthly.

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

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

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

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

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

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

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

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

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

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

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

593 (11) opportunities to “pool” community-based practitioners to alleviate temporary staff  
594 losses;

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

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

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

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

615 SECTION 26. Notwithstanding any general or special law, rule or regulation to the  
616 contrary, and in order to achieve efficiencies and minimize the impact on community health  
617 center staff and patients, the department of public health shall consolidate and streamline into a  
618 single annual audit all audits of Department of Public Health programs that are conducted at  
619 community health centers.

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

623 SECTION 28. Emergency preparedness efforts undertaken in the Commonwealth and  
624 allocation of resources in connection with such efforts shall recognize the essential role of  
625 community health centers in: 1) ongoing participation and coordination of emergency planning,  
626 training and preparedness efforts; 2) providing outpatient care in the event of a pandemic or  
627 other disaster and preventing severe overcrowding in hospital emergency departments; 3)

628 responding to special populations including non-English speaking, low income and elderly  
629 residents who live in the neighborhoods where community health centers are located; 4)  
630 collaborating with local boards of health and with statewide surge capacity planners; and 5)  
631 serving as potential vaccination site or site for mass dispensing of needed pharmaceuticals.  
632 Allocation of resources shall take into account the needs of community health centers, including  
633 staffing, communications equipment, emergency generators, emergency response kits, including  
634 masks, hard hats, safety goggles, face shields, hearing protection, eye wash, and hand sanitizers;  
635 pharmaceutical and other medical supplies, and guidebooks and essential publications on mass  
636 casualty care strategies, chemical and biological terrorism, hazardous materials incidents, crisis  
637 communication, school safety, facility security and other issues.

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

640 (1) eliminate health disparities;

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

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



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

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

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

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

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

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

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