

HOUSE No. 1026

The Commonwealth of Massachusetts

PRESENTED BY:

Tom Sannicandro

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 establishing Medicare for all in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>	<i>1/14/2015</i>
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>	<i>9/10/2019</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>9/10/2019</i>
<i>Gloria L. Fox</i>	<i>7th Suffolk</i>	<i>9/10/2019</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>9/10/2019</i>
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>	<i>9/10/2019</i>
<i>Carmine L. Gentile</i>	<i>13th Middlesex</i>	<i>9/10/2019</i>
<i>Carlos Gonzalez</i>	<i>10th Hampden</i>	<i>9/10/2019</i>
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	<i>9/10/2019</i>
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	<i>9/10/2019</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>9/10/2019</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>9/10/2019</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>	<i>9/10/2019</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>9/10/2019</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>9/10/2019</i>
<i>Timothy R. Madden</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>9/10/2019</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	<i>9/10/2019</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	<i>9/10/2019</i>

<i>James J. O'Day</i>	<i>14th Worcester</i>	<i>9/10/2019</i>
<i>William Smitty Pignatelli</i>	<i>4th Berkshire</i>	<i>9/10/2019</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>9/10/2019</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>9/10/2019</i>
<i>John W. Scibak</i>	<i>2nd Hampshire</i>	<i>9/10/2019</i>
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>	<i>9/10/2019</i>
<i>Ellen Story</i>	<i>3rd Hampshire</i>	<i>9/10/2019</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>	<i>9/10/2019</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>	<i>9/10/2019</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>	<i>9/10/2019</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>9/10/2019</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>9/10/2019</i>
<i>Barbara A. L'Italien</i>	<i>Second Essex and Middlesex</i>	<i>9/10/2019</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>9/10/2019</i>

HOUSE No. 1026

By Mr. Sannicandro of Ashland, a petition (accompanied by bill, House, No. 1026) of Tom Sannicandro and others for legislation to establish a single-payer health insurance trust fund. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act establishing Medicare for all in Massachusetts.

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 new
2 chapter:—

3 CHAPTER ____

4 MASSACHUSETTS HEALTH CARE TRUST

5 Table of Contents

6 • Section 1: Preamble

7 • Section 2: Definitions

8 • Section 3: Establishment of the Massachusetts Health Care Trust

9 • Section 4: Powers of the Trust

10 • Section 5: Purposes of the Trust

- 11 • Section 6: Board of Trustees; Composition; Powers and Duties
- 12 • Section 7: Executive Director; Purpose and Duties
- 13 • Section 8: Regional Division; Director, Offices, Purposes and Duties
- 14 • Section 9: Administrative Division; Director; Purpose and Duties
- 15 • Section 10: Planning Division; Director; Purpose and Duties
- 16 • Section 11: Information Technology Division; Purpose & Duties
- 17 • Section 12: Quality Assurance Division; Director; Purpose and Duties
- 18 • Section 13: Eligible Participants
- 19 • Section 14: Eligible Health Care Providers and Facilities
- 20 • Section 15: Budgeting and Payments to Eligible Health Care Providers and Facilities
- 21 • Section 16: Covered Benefits
- 22 • Section 17: Wraparound Coverage for Federal Health Programs
- 23 • Section 18: Establishment of the Health Care Trust Fund
- 24 • Section 19: Purpose of the Trust Fund
- 25 • Section 20: Funding Sources
- 26 o 20.A: Overview
- 27 o 20.B: Health Care Funding

28 o 20.C: Consolidating Public Health Care Spending and Collateral Sources of Revenue

29 § 20.C.1: Consolidation of State and Municipal Health Care Spending

30 § 20.C.2: Federal Sources of Revenue

31 § 20.C.3: Collection of Collateral Sources of Revenue

32 § 20.C.4: Retention of Funds

33 o 20.D: Transitional Provisions

34 • Section 21: Insurance Reforms

35 • Section 22: Health Trust Regulatory Authority

36 • Section 23: Implementation of the Health Care Trust

37 Section 1: Preamble.

38 Section 1: The foundation for a productive and healthy Commonwealth of Massachusetts

39 is a health care system that provides equal access to quality, affordable health care for all its

40 residents as a right, not a privilege.

41 This state's health care is now controlled by for-profit corporations accountable mainly to

42 shareholders and non-profit companies with little accountability to patients and the public.

43 Creating a single payer system will provide public accountability to the health care system of our

44 Commonwealth, as we pursue the goals of universal access to quality, affordable care.

45 This bill establishes a Massachusetts Health Care Trust, which will be the single-payer

46 body responsible for the collection and disbursement of funds required to provide health care

47 services for every resident of the Commonwealth. Its 23 member board shall include
48 representatives nominated by health care professionals, labor, senior citizens, single-payer
49 advocates, people with disabilities and caregivers, children's advocates, providers of legal
50 services for people of low-income; 8 people elected by the citizens of Massachusetts; and the
51 Secretary of Health and Human Services, the Secretary of Administration and Finance, and the
52 Commissioner of Public Health.

53 The Trust shall streamline and consolidate the finances and administration of health care,
54 to reduce cost, waste and inefficiencies to permit more time and resources for patient care.
55 Covering all Massachusetts residents in a single payer health care financing system, similar to an
56 improved and expanded Medicare program for all, is essential for achieving and sustaining the
57 three main pillars of a just, efficient health care system: (a) universal equitable access, (b)
58 affordability and cost control, and (c) high quality medical care.

59 (a) Universal Equitable Access

60 Thousands of Massachusetts residents still lack health insurance coverage of any sort and
61 most residents are underinsured. Even more residents are covered by plans requiring high
62 deductibles, co-payments and co-insurance and limiting the scope of coverage in ways that make
63 needed medical care unaffordable even for the insured. Many people have little or no coverage
64 for dental care, behavioral health, eyeglasses, hearing aids, home health care, nursing home care,
65 and other important needs. The current fragmentation of coverage and care delivery undermines
66 access.

67 Therefore, the Massachusetts Health Care Trust shall guarantee health care access to all
68 residents without regard to financial or employment status, ethnicity, race, religion, gender,

69 sexual orientation, previous health problems, or geographic location. The Trust shall provide
70 coverage that is continuous, without the current need for repeated re-enrollments or changes
71 when employers choose new plans and residents change jobs. Coverage under the Health Care
72 Trust shall be comprehensive and affordable for individuals and families. It shall have no co-
73 insurance, co-payments or deductibles.

74 Furthermore, by removing barriers to care and integrating services, universal single payer
75 coverage will facilitate earlier detection and intervention, enabling many people to avoid more
76 serious illnesses as well as more costly treatment.

77 (b) Affordability and Cost Control

78 Controlling cost is the most important component of establishing a sustainable health care
79 system for the Commonwealth.

80 Health care spending per person in Massachusetts is higher than in any other state, and
81 therefore higher than in any other country in the world. High health care costs in the
82 Commonwealth impose unnecessary hardships on taxpayers and the state government,
83 municipalities, businesses, families and individuals. These high costs make this state's economy
84 less competitive and hinder creation of jobs. Rising health care costs here also are diverting
85 scarce funds needed to address other pressing problems in both the private and public sectors,
86 including many problems that harm people's health. In 2013 health care costs had risen to
87 consume 42 percent of the Commonwealth's budget. Today's numerous private and public
88 health insurance plans, with differing benefits and patient payment requirements, impose
89 massive administrative burdens on doctors, hospitals, other health care organizations, as well as
90 on patients, employers and other payers. Purchasing power is fragmented. The current lack of

91 continuity and coordination of care, due in part to the multitude of insurance plans and high
92 turnover in enrollments, undermines investment in prevention, and results in avoidable human
93 and financial costs.

94 This bill will ensure that funding will be available for actual medical care rather than high
95 administrative costs.

96 The Health Care Trust will control costs by establishing a global budget; by capital
97 budgeting and limiting duplicative expenditures for construction and major equipment; by
98 negotiating statewide wholesale prices for pharmaceuticals and medical supplies; and by more
99 efficient use of our health care facilities. With a single payer, holistic analysis of data now
100 divided among diverse proprietary insurance databases will facilitate developing better
101 information on cost-effective treatments and other practices. Furthermore, limiting health care
102 costs will permit greater investment in improving social and environmental conditions that
103 influence health.

104 (c) High Quality Medical Care

105 Health outcomes in the United States are ranked by the World Health Organization below
106 those of almost all other industrialized countries and some developing countries.

107 Poor health outcomes in the United States and the Commonwealth result in part from the
108 lack of universal access; the lack of continuity of both coverage and care; the waste of massive
109 sums on unproductive financial paperwork and corporate profiteering; the lack of oversight on
110 quality due to the fragmentation and privatization of our health care financing and delivery
111 systems; inadequate investment in primary care; and behavioral health and the frequent lack of
112 preventive and comprehensive care benefits offered under commercial health plans.

113 Adopting single payer universal coverage will improve quality of care by eliminating
114 much of the administrative complexity of current financing. This will allow physicians and other
115 health caregivers to spend more time on patients and less time on financial paperwork and
116 related administrative matters. It will let physicians, hospitals, and others providers focus on
117 giving patients the care that is appropriate rather than on coping with diverse insurer standards.
118 Single payer will protect the doctor- patient relationship that has been damage by insurance
119 company regulations. The Health Care Trust will expand investment in and availability of
120 primary and behavioral health care; emphasize culturally competent outreach and care; and
121 reduce errors by coordinating and improving information technology. The Trust will have
122 representatives of the public in its leadership and will actively engage patients in providing
123 extensive input on the functioning of the health delivery system.

124 Section 2: Definitions.

125 The following words and phrases shall have the following meanings, except where the
126 context clearly requires otherwise:–

127 “Board” means the board of trustees of the Massachusetts Health Care Trust.

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

135 “Executive Director” means the executive director of the Massachusetts Health Care
136 Trust.

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

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

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

148 “Health maintenance organization” means a provider organization that meets the
149 following criteria:

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

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

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

156 “Professional advisory committee” means a committee of advisors appointed by the
157 director of the Administrative, Planning, Information, Technology, or any Regional division of
158 the Massachusetts Health Care Trust.

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

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

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

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

169 (4) a provision that, for the purposes of this chapter, the terms “domicile” and “dwelling
170 place” are not limited to any particular structure or interest in real property and specifically
171 includes homeless individuals with the intent to live and return to Massachusetts if temporarily
172 absent coupled with an act or acts consistent with that intent.

173 “Secretary” means the secretary of the executive office of health and human services.

174 “Trust” means the Massachusetts Health Care Trust established in section five of this
175 chapter.

176 “Trust Fund” means the Massachusetts Health Care Trust Fund established in section
177 eighteen of this chapter.

178 Section 3. Establishment of the Massachusetts Health Care Trust.

179 There is hereby created an independent body, politic and corporate, to be known as the
180 Massachusetts Health Care Trust, hereinafter referred to as the Trust, to function as the single
181 public agency, or “single payer,” responsible for the collection and disbursement of funds
182 required to provide health care services for every resident of the Commonwealth. The Trust is
183 hereby constituted a public instrumentality of the commonwealth and the exercise by the Trust of
184 the powers conferred by this chapter shall be deemed and held the performance of an essential
185 governmental function. The Trust is hereby placed in the executive office of the health and
186 human services, but shall not be subject to the supervision or control of said office or of any
187 board, bureau, department or other agency of the commonwealth except as specifically provided
188 by this chapter.

189 The provisions of chapter two hundred sixty-eight A shall apply to all trustees, officers
190 and employees of the Trust, except that the Trust may purchase from, contract with or otherwise
191 deal with any organization in which any trustee is interested or involved: provided, however, that
192 such interest or involvement is disclosed in advance to the trustees and recorded in the minutes
193 of the proceedings of the Trust: and provided, further, that a trustee having such interest or
194 involvement may not participate in any decision relating to such organization.

195 Neither the Trust nor any of its officers, trustees, employees, consultants or advisors shall
196 be subject to the provisions of section three B of chapter seven, sections nine A, forty-five, forty-
197 six and fifty-two of chapter thirty, chapter thirty B or chapter thirty-one: provided, however, that

198 in purchasing goods and services, the corporation shall at all times follow generally accepted
199 good business practices.

200 All officers and employees of the Trust having access to its cash or negotiable securities
201 shall give bond to the Trust at its expense, in such amount and with such surety as the board of
202 trustees shall prescribe. The persons required to give bond may be included in one or more
203 blanket or scheduled bonds.

204 Trustees, officers and advisors who are not regular, compensated employees of the Trust
205 shall not be liable to the commonwealth, to the Trust or to any other person as a result of their
206 activities, whether ministerial or discretionary, as such trustees, officers or advisors except for
207 willful dishonesty or intentional violations of law. The board of the Trust may purchase liability
208 insurance for trustees, officers, advisors and employees and may indemnify said persons against
209 the claims of others.

210 Section 4: Powers of the Trust.

211 The Trust shall have the following powers:

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

214 (2) to adopt an official seal;

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

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

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

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

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

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

227 (9) to establish advisory boards;

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

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

233 (12) to accept, hold, use, apply, and dispose of any and all donations, grants, bequests and
234 devises, conditional or otherwise, of money, property, services or other things of value which
235 may be received from the United States or any agency thereof, any governmental agency, any
236 institution, person, firm or corporation, public or private, such donations, grants, bequests and
237 devises to be held, used, applied or disposed for any or all of the purposes specified in this
238 chapter and in accordance with the terms and conditions of any such grant. Â Receipt of each

239 such donation or grant shall be detailed in the annual report of the Trust; such annual report shall
240 include the identity of the donor, lender, the nature of the transaction and any condition attaching
241 thereto;

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

244 Section 5: Purposes of the Trust.

245 The purposes of the Massachusetts Health Care Trust shall include the following:

246 (1) To guarantee every Massachusetts resident access to high quality health care by:

247 (a) providing reimbursement for all medically appropriate health care services offered by
248 the eligible provider or facility of each resident's choice;

249 (b) funding capital investments for adequate health care facilities and resources statewide

250 (2) To save money by replacing the current mixture of public and private health insurance
251 plans with a uniform and comprehensive health care plan available to every Massachusetts
252 resident;

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

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

257 (a) expand covered health care services;

- 258 (b) contain health care cost increases; and
- 259 (c) create provider incentives to innovate and compete by improving health care service
260 quality and delivery to patients;
- 261 (d) expand preventive health care programs and the delivery of primary care.
- 262 (5) To fund, approve and coordinate capital improvements in excess of a threshold to be
263 determined annually by the executive director to qualified health care facilities to:
- 264 (a) avoid unnecessary duplication of health care facilities and resources; and
- 265 (b) encourage expansion or location of health care providers and health care facilities in
266 underserved communities;
- 267 (6) To assure the continued excellence of professional training and research at
268 Massachusetts health care facilities;
- 269 (7) To achieve measurable improvement in health care outcomes;
- 270 (8) To prevent disease and disability and maintain or improve health and functionality;
- 271 (9) To ensure that all Massachusetts residents receive care appropriate to their special
272 needs as well as care that is culturally and linguistically competent;
- 273 (10) To increase satisfaction with the health care system among health care providers,
274 consumers, and the employers and employees of the commonwealth;
- 275 (11) To implement policies which strengthen and improve culturally and linguistically
276 sensitive care;

277 (12) To develop an integrated population-based health care database to support health
278 care planning; and

279 (13) To fund training and re-training programs for professional and non-professional
280 workers in the health care sector displaced as a direct result of implementation of this chapter.

281 Section 6: Board of Trustees -; Composition,; Powers, and Duties.

282 The Trust shall be governed by a board of trustees with twenty-three members. The board
283 shall include the secretary of health and human services, the secretary of administration and
284 finance, and the commissioner of public health.

285 The Governor shall appoint: three trustees nominated by organizations of health care
286 professionals who deliver direct patient care; one nominated by a statewide organization of
287 health care facilities; one nominated by an organization representing non-health care employers;
288 and a health care economist.

289 The Attorney General shall appoint: one trustee nominated by a statewide labor
290 organization; two trustees nominated by statewide organizations who have a record of
291 advocating for universal single payer health care in Massachusetts; one nominated by an
292 organization representing Massachusetts senior citizens; one nominated by a statewide
293 organization defending the rights of children; and one nominated by an organization providing
294 legal services to low-income clients.

295 In addition, eight trustees, who are eligible to receive the benefits of the Massachusetts
296 Health Care Trust but who do not fall into any of the aforementioned categories, shall be elected
297 by the citizens of the Commonwealth, one from each of the Governor's Council districts.

298 Candidates shall run in accordance with Fair Campaign Financing Rules. In order to provide for
299 staggered terms, from the first eight to be elected, two shall be elected for two years, three for
300 three years, and three for four years. Afterwards, all elected trustees shall be elected for four-year
301 terms. All elected trustees shall be eligible for reelection, which would enable them to serve a
302 maximum of eight consecutive years.

303 Each appointed trustee shall serve a term of five years: provided, however, that initially
304 four appointed trustees shall serve three year terms, four appointed trustees shall serve four year
305 terms, and four appointed trustees shall serve five year terms. The initial appointed trustees shall
306 be assigned to a three, four, or five year term by lot. Any person appointed to fill a vacancy on
307 the board shall serve for the unexpired term of the predecessor trustee. Any appointed trustee
308 shall be eligible for reappointment. Any appointed trustee may be removed from his appointment
309 by the governor for just cause.

310 The board shall elect a chair from among its members every two years. Ten trustees shall
311 constitute a quorum and the affirmative vote of a majority of the trustees present and eligible to
312 vote at a meeting shall be necessary for any action to be taken by the board. The board of trustees
313 shall meet at least ten times each year and will have final authority over the activities of the
314 Trust.

315 The trustees shall be reimbursed for actual and necessary expenses and loss of income
316 incurred for each full day serving in the performance of their duties to the extent that
317 reimbursement of those expenses is not otherwise provided or payable by another public agency
318 or agencies. For purposes of this section, “full day of attending a meeting” shall mean presence

319 at, and participation in, not less than 75 percent of the total meeting time of the board during any
320 particular 24-hour period.

321 No member of the board of trustees shall make, participate in making, or in any way
322 attempt to use his or her official position to influence a governmental decision in which he or she
323 knows or has reason to know that he or she, or a family member or a business partner or
324 colleague has a financial interest.

325 In general, the board is responsible for ensuring universal access to high quality,
326 affordable health care for every resident of the Commonwealth. The Board shall specifically
327 address all of the following:

328 (1) Establish policy on medical issues, population-based public health issues, research
329 priorities, scope of services, expanding access to care, and evaluation of the performance of the
330 system;

331 (2) Evaluate proposals from the executive director and others for innovative approaches
332 to health promotion, disease and injury prevention, health education and research, and health
333 care delivery.

334 (3) Establish standards and criteria by which requests by health facilities for capital
335 improvements shall be evaluated.

336 Section 7: Executive Director -; Purpose and Duties.

337 The board of trustees shall hire an executive director who shall be the executive and
338 administrative head of the Trust and shall be responsible for administering and enforcing the
339 provisions of law relative to the Trust.

340 The executive director may, as s/he deems necessary or suitable for the effective
341 administration and proper performance of the duties of the Trust and subject to the approval of
342 the board of trustees, do the following:

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

345 (2) appoint and remove employees and consultants: provided, however, that, subject to
346 the availability of funds in the Trust, at least one employee shall be hired to serve as director of
347 each of the divisions created in sections eight through twelve, inclusive, of this chapter.

348 The executive director shall:

349 (1) establish an enrollment system that will ensure that all eligible Massachusetts
350 residents are formally enrolled;

351 (2) use the purchasing power of the state to negotiate price discounts for prescription
352 drugs and all needed durable and nondurable medical equipment and supplies;

353 (3) negotiate or establish terms and conditions for the provision of high quality health
354 care services and rates of reimbursement for such services on behalf of the residents of the
355 commonwealth;

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

358 (5) oversee preparation of annual operating and capital budgets for the statewide delivery
359 of health care services;

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

362 (7) prepare an annual report to be submitted to the governor, the president of the senate
363 and speaker of the house of representatives and to be easily accessible to every Massachusetts
364 resident.

365 The executive director of the trust may utilize and shall coordinate with the offices, staff
366 and resources of any agencies of the executive branch including, but not limited to, the executive
367 office of health and human services and all line agencies under its jurisdiction, the division of
368 health care finance and policy, the department of revenue, the insurance division, the group
369 insurance commission, the department of employment and training, the industrial accidents
370 board, the health and educational finance authority, and all other executive agencies.

371 Section 8: Regional Division -; Director, Offices, Purposes, and Duties.

372 There shall be a regional division within the Trust which shall be under the supervision
373 and control of a director. The powers and duties given the director in this chapter and in any
374 other general or special law shall be exercised and discharged subject to the control and
375 supervision of the executive director of the Trust. The director of the regional division shall be
376 appointed by the executive director of the Trust, with the approval of the board of trustees, and
377 may, with like approval, be removed. The director may, at his/her discretion, establish a
378 professional advisory committee to provide expert advice: provided, however, that such
379 committee shall have at least 25% consumer representation.

380 The Trust shall have a reasonable number of regional offices located throughout the state.
381 The number and location of these offices shall be proposed to the executive director and board of

382 trustees by the director of the regional division after consultation with the directors of the
383 planning, administration, quality assurance and information technology divisions and
384 consideration of convenience and equity. The adequacy and appropriateness of the number and
385 location of regional offices shall be reviewed by the board at least once every three years.

386 Each regional office shall be professionally staffed to perform local outreach and
387 informational functions and to respond to questions, complaints, and suggestions from health
388 care consumers and providers. Each regional office shall hold hearings annually to determine
389 unmet health care needs and for other relevant reasons. Regional office staff shall immediately
390 refer evidence of unmet needs or of poor quality care to the director of the regional division who
391 will plan and implement remedies in consultation with the directors of the administrative,
392 planning, quality assurance, and information technology divisions.

393 Section 9: Administrative Division -; Director,; Purpose, and Duties.

394 There shall be an administrative division within the Trust which shall be under the
395 supervision and control of a director. The powers and duties given the director in this chapter and
396 in any other general or special law shall be exercised and discharged subject to the direction,
397 control and supervision of the executive director of the Trust. The director of the administrative
398 division shall be appointed by the executive director of the Trust, with the approval of the board
399 of trustees, and may, with like approval, be removed. The director may, at his/her discretion,
400 establish a professional advisory committee to provide expert advice: provided, however, that
401 such committee shall have at least 25% consumer representation.

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

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

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

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

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

410 (5) developing operational budgets for the Trust; and

411 (6) assisting the planning division to develop capital budgets for the Trust.

412 Section 10: Planning Division -; Director,; Purpose, and Duties.

413 There shall be a planning division within the Trust which shall be under the supervision
414 and control of a director. The powers and duties given the director in this chapter and in any
415 other general or special law shall be exercised and discharged subject to the direction, control
416 and supervision of the executive director of the Trust. The director of the planning division shall
417 be appointed by the executive director of the Trust, with the approval of the board of trustees,
418 and may, with like approval, be removed. The director may, at his/her discretion, establish a
419 professional advisory committee to provide expert advice: provided, however, that such
420 committee shall have at least 25% consumer representation.

421 The planning division shall have responsibility for coordinating health care resources and
422 capital expenditures to ensure all eligible participants reasonable access to covered services. The
423 responsibilities shall include but are not limited to:

424 (1) An annual review of the adequacy of health care resources throughout the
425 commonwealth and recommendations for changes. Specific areas to be evaluated include but are
426 not limited to the resources needed for underserved populations and geographic areas, for
427 recruitment of primary care physicians, dentists, and other specialists needed to provide quality
428 health care, for culturally and linguistically competent care, and for emergency and trauma care.
429 The director will develop short term and long term plans to meet health care needs.

430 (2) An annual review of capital health care needs. Included in this evaluation, but not
431 limited to it are recommendations for a budget for all health care facilities, evaluating all capital
432 expenses in excess of a threshold amount to be determined annually by the executive director ,
433 and collaborating with local and statewide government and health care institutions to coordinate
434 capital health planning and investment. The director will develop short term and long term plans
435 to meet capital expenditure needs.

436 In making its review, the planning division shall consult with the regional offices of the
437 Trust and shall hold hearings throughout the state on proposed recommendations. The division
438 shall submit to the board of trustees its final review and recommendations by October 1 of each
439 year. Subject to board approval, the Trust shall adopt the recommendations.

440 Section 11: Information Technology Division -; Purpose and& Duties.

441 There shall be an information technology division within the Trust which shall be under
442 the supervision and control of a director. The powers and duties given the director in this chapter
443 and in any other general or special law shall be exercised and discharged subject to the direction,
444 control and supervision of the executive director of the Trust. The director of the information
445 technology division shall be appointed by the executive director of the Trust, with the approval

446 of the board of trustees, and may, with like approval, be removed. The director may, at his/her
447 discretion, establish a professional advisory committee to provide expert advice: provided,
448 however, that such committee shall have at least 25% consumer representation.

449 The responsibilities of the information technology division shall include but are not
450 limited to:

451 (1) developing an information technology system that is compatible with all medical and
452 dental facilities in Massachusetts;

453 (2) maintaining a confidential electronic medical records system and prescription system
454 in accordance with laws and regulations to maintain accurate patient records and to simplify the
455 billing process, thereby reducing medical errors and bureaucracy;

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

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

464 Section 12: Quality Assurance Division -; Director,; Purpose, and Duties.

465 There shall be a quality assurance division within the Trust which shall be under the
466 supervision and control of a director. The powers and duties given the director in this chapter and

467 in any other general or special law shall be exercised and discharged subject to the direction,
468 control and supervision of the executive director of the Trust. The director of the quality
469 assurance division shall be appointed by the executive director of the Trust, with the approval of
470 the board of trustees, and may, with like approval, be removed. The director may, at his/her
471 discretion, establish a professional advisory committee to provide expert advice: provided,
472 however, that such committee shall have at least 25% consumer representation.

473 The quality assurance division shall support the establishment of a universal, best quality
474 of standard of care with respect to:

475 (a) appropriate hospital staffing levels for quality care;

476 (b) evidence-based best clinical practices developed from analysis of outcomes of
477 medical interventions;

478 appropriate medical technology;

479 (c) design and scope of work in the health workplace; and development of clinical
480 practices that lead toward elimination of medical errors;

481 (d) timely access to needed medical and dental care;

482 (e) development of medical homes that provide efficient patient-centered integrated care;

483 and

484 (f) compassionate end-of-life care that provides comfort and relief of pain in an

485 appropriate setting evidence-based best clinical practices.

486 The director shall conduct a comprehensive annual review of the quality of health care
487 services and outcomes throughout the commonwealth and submit such recommendations to the
488 board of trustees as may be required to maintain and improve the quality of health care service
489 delivery and the overall health of Massachusetts residents. In making its reviews, the quality
490 assurance division shall consult with the regional, administrative, and planning divisions and
491 hold hearings throughout the state on quality of care issues. The division shall submit to the
492 board of trustees its final review and recommendations on how to ensure the highest quality
493 health care service delivery by October 1 of each year. Subject to board approval, the Trust shall
494 adopt the recommendations.

495 Section 13: Eligible Participants.

496 Those persons who shall be recognized as eligible participants in the Massachusetts
497 Health Care Trust shall include:

- 498 (1) all Massachusetts residents,
- 499 (2) all non-residents who:
- 500 (a) work 20 hours or more per week in Massachusetts;
- 501 (b) pay all applicable Massachusetts personal income and payroll taxes;
- 502 (c) pay any additional premiums established by the Trust to cover non-residents; and
- 503 (d) have complied with requirements (a) through (c) inclusive for at least 90 days
- 504 (3) All non-resident patients requiring emergency treatment for illness or injury:
- 505 provided, however, that the trust shall recoup expenses for such patients wherever possible.

506 Payment for emergency care of Massachusetts residents obtained out of state shall be at
507 prevailing local rates. Payment for non-emergency care of Massachusetts residents obtained out
508 of state shall be according to rates and conditions established by the executive director. The
509 executive director may require that a resident be transported back to Massachusetts when
510 prolonged treatment of an emergency condition is necessary.

511 Visitors to Massachusetts shall be billed for all services received under the system. The
512 executive director of the Trust may establish intergovernmental arrangements with other states
513 and countries to provide reciprocal coverage for temporary visitors.

514 Section 14: Eligible Health Care Providers and Facilities.

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

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

519 (2) does not provide health care services covered by, but not paid for, by the trust;

520 (3) furnishes a signed agreement that:

521 (a) all health care services will be provided without discrimination on the basis of factors
522 including, but not limited to age, sex, race, national origin, sexual orientation, income status or
523 preexisting condition;

524 (b) the provider or facility will comply with all state and federal laws regarding the
525 confidentiality of patient records and information;

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

528 (d) the provider or facility will furnish such information as may be reasonably required
529 by the Trust for making payment, verifying reimbursement and rebate information, utilization
530 review analyses, statistical and fiscal studies of operations and compliance with state and federal
531 law;

532 (4) meets state and federal quality guidelines including guidance for safe staffing, quality
533 of care, and efficient use of funds for direct patient care;

534 (5) is a non-profit health maintenance organization that actually delivers care in its
535 facilities and employs clinicians on a salaried basis; and

536 (6) meets whatever additional requirements that may be established by the Trust.

537 Section 15: Budgeting and Payments to Eligible Health Care Providers and Facilities.

538 To carry out this Act there are established on an annual basis:

539 (1) an operating budget;

540 (2) a capital expenditures budget; and

541 (3) reimbursement levels for providers consistent with subtitle B Section 20;

542 The operating budget shall be used for:

543 (a) payment for services rendered by physicians and other clinicians;

544 (b) global budgets for institutional providers;

545 (c) capitation payments for capitated groups; and

546 (d) administration of the Trust.

547 Payments for operating expenses shall not be used to finance capital expenditures;
548 payment of exorbitant salaries; or for activities to assist, promote, deter or discourage union
549 organizing. Any prospective payments made in excess of actual costs for covered services shall
550 be returned to the Trust. Prospective payment rates and schedules shall be adjusted annually to
551 incorporate retrospective adjustments. Except as provided in section sixteen of this chapter,
552 reimbursement for covered services by the Trust shall constitute full payment for the services
553 rendered.

554 The Trust shall provide for retrospective adjustment of payments to eligible health care
555 facilities and providers to:

556 (a) assure that payments to such providers and facilities reflect the difference between
557 actual and projected use and expenditures for covered services; and

558 (b) protect health care providers and facilities who serve a disproportionate share of
559 eligible participants whose expected use of covered health care services and expected health care
560 expenditures for such services are greater than the average use and expenditure rates for eligible
561 participants statewide.

562 The capital expenditures budget shall be used for funds needed for--

563 (a) the construction or renovation of health facilities; and

564 (b) for major equipment purchases.

565 Payment provided under this section can be used only to pay for the capitol costs of
566 eligible health care providers or facilities, including reasonable expenditures, as determined
567 through budget negotiations with the Trust, for the replacement and purchase of equipment.

568 The Trust shall provide funding for payment of debt service on outstanding bonds as of
569 the effective date of this Act and shall be the sole source of future funding, whether directly or
570 indirectly, through the payment of debt service, for capital expenditures by health care providers
571 and facilities covered by the Trust in excess of a threshold amount to be determined annually by
572 the executive director.

573 Section 16: Covered Benefits.

574 The Trust shall pay for all professional services provided by eligible providers and
575 facilities to eligible participants needed to:

576 (a1) provide high quality, appropriate and medically necessary health care services;

577 (b2) encourage reductions in health risks and increase use of preventive and primary care
578 services; and

579 (c3) integrate physical health, mental and behavioral health and substance abuse services.

580 Covered benefits shall include all high quality health care determined to be medically
581 necessary or appropriate by the Trust, including, but not limited to, the following:

582 (1) prevention, diagnosis and treatment of illness and injury, including laboratory,
583 diagnostic imaging, inpatient, ambulatory and emergency medical care, blood and blood
584 products, dialysis, mental health services, dental care, acupuncture, physical therapy, chiropractic
585 and podiatric services;

- 586 (2) promotion and maintenance of individual health through appropriate screening,
587 counseling and health education;
- 588 (3) the rehabilitation of sick and disabled persons, including physical, psychological, and
589 other specialized therapies;
- 590 (4) prenatal, perinatal and maternity care, family planning, fertility and reproductive
591 health care;
- 592 (5) home health care including personal care;
- 593 (6) long term care in institutional and community-based settings;
- 594 (7) hospice care;
- 595 (8) language interpretation and such other medical or remedial services as the Trust shall
596 determine;
- 597 (9) emergency and other medically necessary transportation;
- 598 (10) the full scale of dental services, other than cosmetic dentistry;
- 599 (11) basic vision care and correction, including glasses, other than laser vision correction
600 for cosmetic purposes;
- 601 (12) hearing evaluation and treatment including hearing aids;
- 602 (13) prescription drugs; and
- 603 (14) durable and non-durable medical equipment, supplies and appliances.

604 No deductibles, co-payments, co-insurance, or other cost sharing shall be imposed with
605 respect to covered benefits. Patients shall have free choice of participating physicians and other
606 clinicians, hospitals, inpatient care facilities and other providers and facilities.

607 Section 17. Wraparound Coverage for Federal Health Programs.

608 Prior to obtaining any federal program's waivers to receive federal funds through the
609 Health Care Trust, the Trust will seek to ensure that participants eligible for federal program
610 coverage receive access to care and coverage equal to that of all other Massachusetts
611 participants. It shall do so by (a) paying for all services enumerated under Section 16 not covered
612 by the relevant federal plans; (b) paying for all such services during any federally mandated gaps
613 in participants' coverage; and (c) paying for any deductibles, co-payments, co-insurance, or other
614 cost sharing incurred by such participants.

615 Section 18: Establishment of the Health Care Trust Fund.

616 In order to support the Trust effectively, there is hereby established the health care trust
617 fund, hereinafter the Trust Fund, which shall be administered and expended by the executive
618 director of the Trust subject to the approval of the board. The Fund shall consist of all revenue
619 sources defined in Section 20, and all property and securities acquired by and through the use of
620 monies deposited to the Trust Fund and all interest thereon less payments therefrom to meet
621 liabilities incurred by the Trust in the exercise of its powers and the performance of its duties.

622 All claims for health care services rendered shall be made to the Trust Fund and all
623 payments made for health care services shall be disbursed from the Trust Fund.

624 Section 19: Purpose of the Trust Fund.

625 Amounts credited to the Trust Fund shall be used for the following purposes:

626 (1) to pay eligible health care providers and health care facilities for covered services
627 rendered to eligible individuals;

628 (2) to fund capital expenditures for eligible health care providers and health care facilities
629 for approved capital investments in excess of a threshold amount to be determined annually by
630 the executive director;

631 (3) to pay for preventive care, education, outreach, and public health risk reduction
632 initiatives, not to exceed 5% of Trust income in any fiscal year;

633 (4) to supplement other sources of financing for education and training of the health care
634 workforce, not to exceed 2% of Trust income in any fiscal year;

635 (5) to supplement other sources of financing for medical research and innovation, not to
636 exceed 1% of Trust income in any fiscal year;

637 (6) to supplement other sources of financing for training and retraining programs for
638 workers displaced as a result of administrative streamlining gained by moving from a multi-
639 payer to a single payer health care system, not to exceed 2% of Trust income in any fiscal year:
640 provided, however, that eligible workers must have enrolled by June 20 of the third year
641 following full implementation of this chapter;

642 (7) to fund a reserve account to finance anticipated long-term cost increases due to
643 demographic changes, inflation or other foreseeable trends that would increase Trust Fund
644 liabilities, and for budgetary shortfall, epidemics, and other extraordinary events, not to exceed

645 1% of Trust income in any fiscal year: provided, however, that the Trust reserve account shall at
646 no time constitute more than 5% of total Trust assets;

647 (8) to pay the administrative costs of the Trust which, within two years of full
648 implementation of this chapter shall not exceed 5% of Trust income in any fiscal year.

649 Unexpended Trust assets shall not be deemed to be “surplus” funds as defined by chapter
650 twenty-nine of the general laws.

651 Section 20: Funding Sources.

652 20.A: Overview

653 The Trust shall be the repository for all health care funds and related administrative
654 funds. A fairly apportioned, dedicated health care tax on employers, workers, and citizens will
655 replace spending on insurance premiums and out-of-pocket spending for services covered by the
656 Trust. The Trust will enable the state to pass lower health care costs on to residents and
657 businesses through savings from administrative simplification, negotiating prices, discounts on
658 pharmaceuticals and medical supplies, and through early detection and intervention by
659 universally available primary and preventive care. Additionally, collateral sources of revenue –
660 such as from the federal government, non-residents receiving care in the state, or from personal
661 liability – will be recovered by the Trust. Lastly, the Trust shall enact provisions ensuring a
662 smooth transition to a universal health care system for employers and residents.

663 20.B: Health Care Funding

664 The following dedicated health care taxes will replace spending on insurance premiums
665 and out-of-pocket spending for services covered by the Trust. Prior to each state fiscal year of

666 operation, the Trust will prepare for the Legislature a projected budget for the coming fiscal year,
667 with recommendations for rising or declining revenue needs.

668 • An employer payroll tax of 7.5 percent will be assessed, exempting the first \$30,000 of
669 payroll per establishment, replacing previous spending by employers on health premiums. An
670 additional employer payroll tax of 0.44% will be assessed on establishments with 100 or more
671 employees;

672 • An employee payroll tax of 2.5 percent will be assessed, replacing previous spending by
673 employees on health premiums and out-of-pocket expenses;

674 • A payroll tax on the self-employed of 10 percent will be assessed, exempting the first
675 \$30,000 of payroll per self-employed resident; and.

676 • A tax on unearned income (dividends, capital gains, rents, and profits) of 10 percent
677 will be assessed on such income above \$30,000. Social Security, SSI,SSDI, unemployment
678 benefits and pension payments shall not be included in the unearned income to be taxed

679 An employer, private or public, may agree to pay all or part of an employee's payroll tax
680 obligation. Such payment shall not be considered income for Massachusetts income tax
681 purposes.

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

685 Eligibility for benefits shall not be impaired by any default, underpayment, or late
686 payment of any tax or other obligation imposed by the Trust.

687 20.C: Consolidating Public Health Care Spending and Collateral Sources of Revenue

688 It is the intent of this act to establish a single public payer for all health care in the
689 commonwealth. Towards this end, public spending on health insurance will be consolidated into
690 the Trust to the greatest extent possible. Until such time as the role of all other payers for health
691 care has been terminated, health care costs shall be collected from collateral sources whenever
692 medical services provided to an individual are, or may be, covered services under a policy of
693 insurance, health care service plan, or other collateral source available to that individual, or for
694 which the individual has a right of action for compensation to the extent permitted by law.

695 20.C.1: Consolidation of State and Municipal Health Care Spending

696 The Legislature will be empowered to transfer funds from the General Fund sufficient to
697 meet the Trust's projected expenses beyond projected income from dedicated tax revenues. This
698 lump transfer will replace current General Fund spending on health benefits for state employees,
699 services for patients at public in-patient facilities, and all means- or needs-tested health benefit
700 programs. Additionally, the Legislature will reduce local aid to municipalities commensurate
701 with the reduced burden of health insurance premiums for municipal employees and contractors.

702 20.C.2: Federal Sources of Revenue

703 The Trust shall receive all monies paid to the commonwealth by the federal government
704 for health care services covered by the Trust. The Trust shall seek to maximize all sources of
705 federal financial support for health care services in Massachusetts. Accordingly, the executive
706 director shall seek all necessary waivers, exemptions, agreements, or legislation, if needed, so
707 that all current federal payments for health care shall, consistent with the federal law, be paid
708 directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or legislation, the

709 executive director shall seek from the federal government a contribution for health care services
710 in Massachusetts that shall not decrease in relation to the contribution to other states as a result
711 of the waivers, exemptions, agreements, or legislation.

712 20.C.3: Collection of Collateral Sources of Revenue

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

714 • insurance policies written by insurers, including the medical components of automobile,
715 homeowners, workers' compensation, and other forms of insurance;

716 • health care service plans and pension plans;

717 • employee benefit contracts;

718 • government benefit programs;

719 • a judgment for damages for personal injury;

720 • any third party who is or may be liable to an individual for health care services or costs;

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

722 • a contract or plan that is subject to federal preemption;

723 • any governmental unit, agency, or service, to the extent that subrogation is prohibited

724 by law.

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

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

735 The Trust shall seek reimbursement from the collateral source for services provided to
736 the individual, and may institute appropriate action, including suit, to recover the costs to the
737 Trust. Upon demand, the collateral source shall pay to the Trust Fund the sums it would have
738 paid or expended on behalf of the individuals for the health care services provided by the Trust.

739 If a collateral source is exempt from subrogation or the obligation to reimburse the Trust
740 as provided in this section, the executive director may require that an individual who is entitled
741 to medical services from the collateral source first seek those services from that source before
742 seeking those services from the Trust.

743 To the extent permitted by federal law, contractual retiree health benefits provided by
744 employers shall be subject to the same subrogation as other contracts, allowing the Trust to
745 recover the cost of services provided to individuals covered by the retiree benefits, unless and
746 until arrangements are made to transfer the revenues of the benefits directly to the Trust.

747 20.C.4: Retention of Funds

748 The Trust shall retain:

- 749 • all charitable donations, gifts, grants or bequests made to it from whatever source
750 consistent with state and federal law;
- 751 • payments from third party payers for covered services rendered by eligible providers to
752 non-eligible patients but paid for by the Trust;
- 753 • income from the investment of Trust assets, consistent with state and federal law.

754 20.D: Transitional Provisions

755 Any employer who has a contract with an insurer, health services corporation or health
756 maintenance organization to provide health care services or benefits for its employees, which is
757 in effect on the effective date of this section, shall be entitled to an income tax credit against
758 premiums otherwise due in an amount equal to the Trust fund premium due pursuant to this
759 section.

760 Any insurer, health services corporation, or health maintenance organization which
761 provides health care services or benefits under a contract with an employer which is in effect on
762 the effective date of this act shall pay to the Trust Fund an amount equal to the Health Trust
763 premium which would have been paid by the employer if the contract with the insurer, health
764 services corporation or health maintenance organizations were not in effect. For purposes of this
765 section, the term “insurer” includes union health and welfare funds and self-insured employers.

766 Six months prior to the establishment of a single payer system, all laws and regulations
767 requiring health insurance carriers to maintain cash reserves for purposes of commercial stability
768 (such as under Chapter 176G, Section 25 of the General Laws) shall be repealed. In their place,
769 the Executive Director of the Trust shall assess an annual health care stabilization fee upon the

770 same carriers, amounting to the same sum previously required to be held in reserves, which shall
771 be credited to the Health Care Trust Fund.

772 Section 21: Insurance Reforms.

773 Insurers regulated by the division of insurance are prohibited from charging premiums to
774 eligible participants for coverage of services already covered by the Trust. The commissioner of
775 insurance shall adopt, amend, alter, repeal and enforce all such reasonable rules and regulations
776 and orders as may be necessary to implement this section.

777 Section 22: Health Trust Regulatory Authority.

778 The Trust shall adopt and promulgate regulations to implement the provisions of this
779 chapter. The initial regulations may be adopted as emergency regulations but those emergency
780 regulations shall be in effect only from the effective date of this chapter until the conclusion of
781 the transition period.

782 Section 23: Implementation of the Health Care Trust.

783 Not later than thirty days after enactment of this legislation, the governor shall make the
784 initial appointments to the board of the Massachusetts Health Care Trust. The first meeting of the
785 trustees shall take place within 60 days of the election of trustees to the board.