

**HOUSE . . . . . No. 2987**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Denise C. Garlick***

*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 improved Medicare for all in Massachusetts.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>	<i>1/20/2017</i>
<i>Carmine L. Gentile</i>	<i>13th Middlesex</i>	
<i>Natalie Higgins</i>	<i>4th Worcester</i>	
<i>Sarah K. Peake</i>	<i>4th Barnstable</i>	
<i>John H. Rogers</i>	<i>12th Norfolk</i>	
<i>Solomon Goldstein-Rose</i>	<i>3rd Hampshire</i>	
<i>Jack Lewis</i>	<i>7th Middlesex</i>	
<i>Dylan Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	
<i>Mike Connolly</i>	<i>26th Middlesex</i>	
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	
<i>David M. Rogers</i>	<i>24th Middlesex</i>	
<i>José F. Tosado</i>	<i>9th Hampden</i>	
<i>Chris Walsh</i>	<i>6th Middlesex</i>	
<i>Paul R. Heroux</i>	<i>2nd Bristol</i>	
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	
<i>Barbara A. L'Italien</i>	<i>Second Essex and Middlesex</i>	

<i>Julian Cyr</i>	<i>Cape and Islands</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>
<i>Joseph W. McGonagle, Jr.</i>	<i>28th Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>John J. Mahoney</i>	<i>13th Worcester</i>
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>
<i>Chynah Tyler</i>	<i>7th Suffolk</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Adrian Madaro</i>	<i>1st Suffolk</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and Middlesex</i>
<i>Juana B. Matias</i>	<i>16th Essex</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>
<i>Bud Williams</i>	<i>11th Hampden</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>

**HOUSE . . . . . No. 2987**

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By Ms. Garlick of Needham, a petition (accompanied by bill, House, No. 2987) of Denise C. Garlick and others relative to establishing Medicare for all in the Commonwealth by the creation of a single payer health care system. Health Care Financing.

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**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act establishing improved 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
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38 Section 1. Preamble.

39 The foundation for a productive and healthy Commonwealth of Massachusetts is a health  
40 care system that provides equal access to quality, affordable health care for all its residents as a  
41 right, not a privilege.

42 This state's health care is now controlled by for-profit corporations accountable mainly to  
43 shareholders and non-profit companies with little accountability to patients and the public.

44 Creating a single payer system will provide public accountability to the health care system of our  
45 Commonwealth, as we pursue the goals of universal access to quality, affordable care.

46 This bill establishes a Massachusetts Health Care Trust, which will be the single-payer  
47 body responsible for the collection and disbursement of funds required to provide health care  
48 services for every resident of the Commonwealth. Its 23 member board shall include  
49 representatives nominated by health care professionals, labor, senior citizens, single-payer  
50 advocates, people with disabilities and caregivers, children's advocates, providers of legal  
51 services for people of low-income; 8 people elected by the citizens of Massachusetts; and the  
52 Secretary of Health and Human Services, the Secretary of Administration and Finance, and the  
53 Commissioner of Public Health.

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

60 (a) Universal Equitable Access

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

68           Therefore, the Massachusetts Health Care Trust shall guarantee health care access to all  
69 residents without regard to financial or employment status, ethnicity, race, religion, gender,  
70 sexual orientation, previous health problems, or geographic location. The Trust shall provide  
71 coverage that is continuous, without the current need for repeated re-enrollments or changes  
72 when employers choose new plans and residents change jobs. Coverage under the Health Care  
73 Trust shall be comprehensive and affordable for individuals and families. It shall have no co-  
74 insurance, co-payments or deductibles. Furthermore, by removing barriers to care and integrating  
75 services, universal single payer coverage will facilitate earlier detection and intervention,  
76 enabling many people to avoid more 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  
79 caresystem 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  
83 government, municipalities, businesses, families and individuals. These high costs make this  
84 state's economy less competitive and hinder creation of jobs. Rising health care costs here also  
85 are diverting scarce funds needed to address other pressing problems in both the private and  
86 public sectors, including many problems that harm people's health. In 2015 health care costs  
87 had risen to consume 46 percent of the Commonwealth's budget. Today's numerous private and  
88 public 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. This bill will ensure that funding will be available for actual medical care  
94 rather than high administrative costs.

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

103         (c) High Quality Medical Care

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

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



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

123           Section 2: Public Education.

124           Upon passage of the Improved Medicare for All Bill, a statewide education program shall  
125 be implemented to ensure that all residents of Massachusetts understand how the savings in  
126 medical costs and the streamlining of the health care system will affect them. Specifically, some  
127 taxes will increase, but there will be no health insurance premiums to pay, no deductibles, no co-  
128 pays or co-insurance so the vast majority of people will spend significantly less for healthcare.  
129 All Massachusetts residents will receive a healthcare card that will cover all necessary medical  
130 care up front and allow patients to choose any doctor they want. The purpose of the educational  
131 outreach program is to help individuals, hospitals, businesses, doctors and other providers to be  
132 able to focus on individual wellness and function together to provide high quality care that is  
133 well coordinated and appropriate for all Massachusetts residents.

134 Section 3. Definitions.

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

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

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

145 “Executive Director” means the executive director of the Massachusetts Health Care  
146 Trust.

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

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

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

158 “Health maintenance organization” means a provider organization that meets the  
159 following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

188 Section 4. Establishment of the Massachusetts Health Care Trust.

189 There is hereby created an independent body, politic and corporate, to be known as the  
190 Massachusetts Health Care Trust, hereinafter referred to as the Trust, to function as the single  
191 public agency, or “single payer,” responsible for the collection and disbursement of funds  
192 required to provide health care services for every resident of the Commonwealth. The Trust is  
193 hereby constituted a public instrumentality of the commonwealth and the exercise by the Trust of  
194 the powers conferred by this chapter shall be deemed and held the performance of an essential  
195 governmental function. The Trust is hereby placed in the executive office of the health and

196 human services, but shall not be subject to the supervision or control of said office or of any  
197 board, bureau, department or other agency of the commonwealth except as specifically provided  
198 by this chapter.

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

205         Neither the Trust nor any of its officers, trustees, employees, consultants or advisors shall  
206 be subject to the provisions of section three B of chapter seven, sections nine A, forty-five, forty-  
207 six and fifty-two of chapter thirty, chapter thirty B or chapter thirty-one: provided, however, that  
208 in purchasing goods and services, the corporation shall at all times follow generally accepted  
209 good business practices.

210         All officers and employees of the Trust having access to its cash or negotiable securities  
211 shall give bond to the Trust at its expense, in such amount and with such surety as the board of  
212 trustees shall prescribe. The persons required to give bond may be included in one or more  
213 blanket or scheduled bonds. Trustees, officers and advisors who are not regular, compensated  
214 employees of the Trust shall not be liable to the commonwealth, to the Trust or to any other  
215 person as a result of their activities, whether ministerial or discretionary, as such trustees,  
216 officers or advisors except for willful dishonesty or intentional violations of law. The board of

217 the Trust may purchase liability insurance for trustees, officers, advisors and employees and may  
218 indemnify said persons against the claims of others.

219 Section 5: Powers of the Trust.

220 The Trust shall have the following powers:

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

223 (2) to adopt an official seal;

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

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

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

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

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

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

236 (9) to establish advisory boards;

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

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

242 (12) to accept, hold, use, apply, and dispose of any and all donations, grants, bequests and  
243 devises, conditional or otherwise, of money, property, services or other things of value which  
244 may be received from the United States or any agency thereof, any governmental agency, any  
245 institution, person, firm or corporation, public or private, such donations, grants, bequests and  
246 devises to be held, used, applied or disposed for any or all of the purposes specified in this  
247 chapter and in accordance with the terms and conditions of any such grant. A receipt of each  
248 such donation or grant shall be detailed in the annual report of the Trust; such annual report shall  
249 include the identity of the donor, lender, the nature of the transaction and any condition attaching  
250 thereto; and

251 (13) to do any and all other things necessary and convenient to carry out the purposes of  
252 this chapter.

253 Section 6: Purposes of the Trust.

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

255 (1) To guarantee every Massachusetts resident access to high quality health care by: (a)  
256 providing reimbursement for all medically appropriate health care services offered by the eligible

257 provider or facility of each resident's choice; (b) funding capital investments for adequate health  
258 care facilities and resources statewide.

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

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

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

266 (a) expand covered health care services;

267 (b) contain health care cost increases; and

268 (c) create provider incentives to innovate and compete by improving health care service  
269 quality and delivery to patients;

270 (d) expand preventive health care programs and the delivery of primary care.

271 (5) To fund, approve and coordinate capital improvements in excess of a threshold to  
272 bedetermined annually by the executive director to qualified health care facilities to:

273 (a) avoid unnecessary duplication of health care facilities and resources; and

274 (b) encourage expansion or location of health care providers and health care facilities in  
275 underserved communities;



- 276 (6) To assure the continued excellence of professional training and research at  
277 Massachusetts health care facilities;
- 278 (7) To achieve measurable improvement in health care outcomes;
- 279 (8) To prevent disease and disability and maintain or improve health and functionality;
- 280 (9) To ensure that all Massachusetts residents receive care appropriate to their special  
281 needs as well as care that is culturally and linguistically competent;
- 282 (10) To increase satisfaction with the health care system among health care providers,  
283 consumers, and the employers and employees of the commonwealth;
- 284 (11) To implement policies which strengthen and improve culturally and linguistically  
285 sensitive care;
- 286 (12) To develop an integrated population-based health care database to support health  
287 care planning; and
- 288 (13) To fund training and re-training programs for professional and non-professional  
289 workers in the health care sector displaced as a direct result of implementation of this chapter.

290 Section 7: Board of Trustees -; Composition, Powers, and Duties.

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

294 The Governor shall appoint: three trustees nominated by organizations of health care  
295 professionals who deliver direct patient care; one nominated by a statewide organization of

296 health care facilities; one nominated by an organization representing non-health care employers;  
297 and a health care economist.

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

304 In addition, eight trustees, who are eligible to receive the benefits of the Massachusetts  
305 Health Care Trust but who do not fall into any of the aforementioned categories, shall be elected  
306 by the citizens of the Commonwealth, one from each of the Governor's Council districts.  
307 Candidates shall run in accordance with Fair Campaign Financing Rules. In order to provide for  
308 staggered terms, from the first eight to be elected, two shall be elected for two years, three for  
309 three years, and three for four years. Afterwards, all elected trustees shall be elected for four-year  
310 terms. All elected trustees shall be eligible for reelection, which would enable them to serve a  
311 maximum of eight consecutive years.

312 Each appointed trustee shall serve a term of five years: provided, however, that initially  
313 four appointed trustees shall serve three year terms, four appointed trustees shall serve four year  
314 terms, and four appointed trustees shall serve five year terms. The initial appointed trustees shall  
315 be assigned to a three, four, or five year term by lot. Any person appointed to fill a vacancy on  
316 the board shall serve for the unexpired term of the predecessor trustee. Any appointed trustee

317 shall be eligible for reappointment. Any appointed trustee may be removed from his appointment  
318 by the governor for just cause.

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

324 The trustees shall be reimbursed for actual and necessary expenses and loss of income  
325 incurred for each full day serving in the performance of their duties to the extent that  
326 reimbursement of those expenses is not otherwise provided or payable by another public agency  
327 or agencies. For purposes of this section, “full day of attending a meeting” shall mean presence  
328 at, and participation in, not less than 75 percent of the total meeting time of the board during any  
329 particular 24-hour period.

330 No member of the board of trustees shall make, participate in making, or in any way  
331 attempt to use his or her official position to influence a governmental decision in which he or she  
332 knows or has reason to know that he or she, or a family member or a business partner or  
333 colleague has a financial interest. In general, the board is responsible for ensuring universal  
334 access to high quality,affordable health care for every resident of the Commonwealth. The Board  
335 shall specifically address all of the following:

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

339 (2) Evaluate proposals from the executive director and others for innovative approaches  
340 to health promotion, disease and injury prevention, health education and research, and health  
341 care delivery; and

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

344 Section 8: Executive Director -: Purpose and Duties.

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

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

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

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

356 The executive director shall:

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

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

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

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

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

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

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

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

379 Section 9: Regional Division -; Director: Offices, Purposes, and Duties.

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

388           The Trust shall have a reasonable number of regional offices located throughout the  
389 state. The number and location of these offices shall be proposed to the executive director and  
390 board of trustees by the director of the regional division after consultation with the directors of  
391 the planning, administration, quality assurance and information technology divisions and  
392 consideration of convenience and equity. The adequacy and appropriateness of the number and  
393 location of regional offices shall be reviewed by the board at least once every three years.

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

401           Section 10: Administrative Division -; Director: Purpose, and Duties.

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

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

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

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

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

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

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

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

420           Section 11: Planning Division -; Director: Purpose, and Duties.

421           There shall be a planning division within the Trust which shall be under the supervision  
422 and control of a director. The powers and duties given the director in this chapter and in any  
423 other general or special law shall be exercised and discharged subject to the direction, control  
424 and supervision of the executive director of the Trust. The director of the planning division shall  
425 be appointed by the executive director of the Trust, with the approval of the board of trustees,  
426 and may, with like approval, be removed. The director may, at his/her discretion, establish a  
427 professional advisory committee to provide expert advice: provided, however, that such  
428 committee shall have at least 25% consumer representation. The planning division shall have  
429 responsibility for coordinating health care resources and capital expenditures to ensure all  
430 eligible participants reasonable access to covered services. The responsibilities shall include but  
431 are not limited to:

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

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



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

448 Section 12: Information Technology Division -; Purpose and Duties.

449 There shall be an information technology division within the Trust which shall be under  
450 the supervision and control of a director. The powers and duties given the director in this chapter  
451 and in any other general or special law shall be exercised and discharged subject to the direction,  
452 control and supervision of the executive director of the Trust. The director of the information  
453 technology division shall be appointed by the executive director of the Trust, with the approval  
454 of the board of trustees, and may, with like approval, be removed. The director may, at his/her  
455 discretion, establish a professional advisory committee to provide expert advice: provided,  
456 however, that such committee shall have at least 25% consumer representation. The  
457 responsibilities of the information technology division shall include but are not limited to:

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

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

463 (3) developing a tracking system to monitor quality of care, establish a patient data base  
464 and promote preventive care guidelines and medical alerts to avoid errors. Notwithstanding that  
465 all billing shall be performed electronically, patients shall have the option of keeping any portion

466 of their medical records separate from their electronic medical record. The information  
467 technology director shall work closely with the directors of the regional, administrative, planning  
468 and quality assurance divisions. The information technology division shall make an annual report  
469 to the board of trustees by October 1st of each year. Subject to board approval, the Trust shall  
470 adopt the recommendations.

471 Section 13: Quality Assurance Division -; Director: Purpose, and Duties.

472 There shall be a quality assurance division within the Trust which shall be under the  
473 supervision and control of a director. The powers and duties given the director in this chapter and  
474 in any other general or special law shall be exercised and discharged subject to the direction,  
475 control and supervision of the executive director of the Trust. The director of the quality  
476 assurance division shall be appointed by the executive director of the Trust, with the approval of  
477 the board of trustees, and may, with like approval, be removed. The director may, at his/her  
478 discretion, establish a professional advisory committee to provide expert advice: provided,  
479 however, that such committee shall have at least 25% consumer representation.

480 The quality assurance division shall support the establishment of a universal, best quality  
481 standard of care with respect to: (a) appropriate hospital staffing levels for quality care; (b)  
482 evidence-based best clinical practices developed from analysis of outcomes of medical  
483 interventions; (c) appropriate medical technology; (d) design and scope of work in the health  
484 workplace; and development of clinical practices that lead toward elimination of medical errors;  
485 (e) timely access to needed medical and dental care; (f) development of medical homes that  
486 provide efficient patient-centered integrated care; and (g) compassionate end-of-life care that

487 provides comfort and relief of pain in an appropriate setting using evidence-based best clinical  
488 practices.

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

498 Section 14: Eligible Participants.

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

501 (1) all Massachusetts residents,

502 (2) all non-residents who: (a) work 20 hours or more per week in Massachusetts; (b) pay  
503 all applicable Massachusetts personal income and payroll taxes; (c) pay any additional premiums  
504 established by the Trust to cover non-residents; and (d) have complied with requirements (a)  
505 through (c) inclusive for at least 90 days

506 (3) All non-resident patients requiring emergency treatment for illness or injury:  
507 provided, however, that the trust shall recoup expenses for such patients wherever possible.

508 Payment for emergency care of Massachusetts residents obtained out of state shall be at  
509 prevailing local rates. Payment for non-emergency care of Massachusetts residents obtained out  
510 of state shall be according to rates and conditions established by the executive director. The  
511 executive director may require that a resident be transported back to Massachusetts when  
512 prolonged treatment of an emergency condition is necessary. Visitors to Massachusetts shall be  
513 billed for all services received under the system. The executive director of the Trust may  
514 establish intergovernmental arrangements with other states and countries to provide reciprocal  
515 coverage for temporary visitors.

516 Section 15: Eligible Health Care Providers and Facilities.

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

520 (1) is licensed to operate or practice in the Commonwealth;

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

522 (3) furnishes a signed agreement that:(a) all health care services will be provided without  
523 discrimination on the basis of factors including, but not limited to age, sex, race, national origin,  
524 sexual orientation, income status or preexisting condition; (b) the provider or facility will comply  
525 with all state and federal laws regarding the 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(d) the provider or facility will furnish such information  
528 as may be reasonably required by the Trust for making payment, verifying reimbursement and

529 rebate information, utilization review analyses, statistical and fiscal studies of operations and  
530 compliance with state and federal law;

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

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

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

536 Section 16: Budgeting and Payments to Eligible Health Care Providers and Facilities.

537 To carry out this Act there are established on an annual basis: (1) an operating budget; (2)  
538 a capital expenditures budget; and (3) reimbursement levels for providers consistent with subtitle  
539 B Section 20;

540 The operating budget shall be used for: (a) payment for services rendered by physicians  
541 and other clinicians; (b) global budgets for institutional providers; (c) capitation payments for  
542 capitated groups; and (d) administration of the Trust.

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

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

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

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

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

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

560 (b) for major equipment purchases.

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

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

569 Section 17: Covered Benefits.

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

572 (1) provide high quality, appropriate and medically necessary health care services;

573 (2) encourage reductions in health risks and increase use of preventive and primary care  
574 services; and

575 (3) integrate physical health, mental and behavioral health and substance abuse services.

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

578 (1) prevention, diagnosis and treatment of illness and injury, including laboratory,  
579 diagnostic imaging, inpatient, ambulatory and emergency medical care, blood and blood  
580 products, dialysis, mental health services, palliative care, dental care, acupuncture, physical  
581 therapy, chiropractic and podiatric services;

582 (2) promotion and maintenance of individual health through appropriate screening,  
583 counseling and health education;

584 (3) the rehabilitation of sick and disabled persons, including physical, psychological, and  
585 other specialized therapies;

586 (4) Mental health services. The Program shall provide coverage for all medically  
587 necessary mental health care on the same basis as the coverage for other conditions. The  
588 Program shall cover supportive residences, occupational therapy, and ongoing mental

589 health and counseling services outside the hospital for patients with serious mental  
590 illness. In all cases the highest quality and most effective care shall be delivered, including  
591 institutional care.

592 (5) prenatal, perinatal and maternity care, family planning, fertility and reproductive  
593 health care;

594 (6) home health care including personal care;

595 (7) long term care in institutional and community-based settings;

596 (8) hospice care;

597 (9) language interpretation and such other medical or remedial services as the Trust shall  
598 determine;

599 (10) emergency and other medically necessary transportation;

600 (11) the full scale of dental services, other than cosmetic dentistry;

601 (12) basic vision care and correction, including glasses, other than laser vision correction  
602 for cosmetic purposes;

603 (13) hearing evaluation and treatment including hearing aids;

604 (14) prescription drugs; and

605 (15) durable and non-durable medical equipment, supplies and appliances.



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

609 Section 18. Wraparound Coverage for Federal Health Programs.

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

617 Section 19: Establishment of the Health Care Trust Fund.

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

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

626 Section 20: Purpose of the Trust Fund.

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

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

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

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

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

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

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

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

647 1% of Trust income in any fiscal year: provided, however, that the Trust reserve account shall at  
648 no time constitute more than 5% of total Trust assets;

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

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

653 Section 21: Funding Sources.

654 21.A: Overview

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

665 21.B: Health Care Funding

666 The following dedicated health care taxes will replace spending on insurance premiums  
667 665 and out-of-pocket spending for services covered by the Trust. Prior to each state fiscal year

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

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

674 (2) An employee payroll tax of 2.5% will be assessed, replacing previous spending by  
675 employees on health premiums and out-of-pocket expenses;

676 (3) A payroll tax on the self-employed of 10% will be assessed, exempting the first  
677 \$30,000 of payroll per self-employed resident; and

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

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

684 Default, underpayment, or late payment of any tax or other obligation imposed by the  
685 Trust shall result in the remedies and penalties provided by law, except as provided in this  
686 section. Eligibility for benefits shall not be impaired by any default, underpayment, or late  
687 payment of any tax or other obligation imposed by the Trust.

688

689 21.C: Consolidating Public Health Care Spending and Collateral Sources of Revenue

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

697 21.C.1: Consolidation of State and Municipal Health Care Spending

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

705 21.C.2: Federal Sources of Revenue

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

711 directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or legislation, the  
712 executive director shall seek from the federal government a contribution for health care services  
713 in Massachusetts that shall not decrease in relation to the contribution to other states as a result  
714 of the waivers, exemptions, agreements, or legislation.

#### 715 21.C.3: Collection of Collateral Sources of Revenue

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

717 (1) insurance policies written by insurers, including the medical components of  
718 automobile, homeowners, workers' compensation, and other forms of insurance;

719 (2) health care service plans and pension plans;

720 (3) employee benefit contracts;

721 (4) government benefit programs;

722 (5) a judgment for damages for personal injury; and

723 (6) any third party who is or may be liable to an individual for health care services or  
724 costs.

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

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

727 (2) any governmental unit, agency, or service, to the extent that subrogation is prohibited  
728 by law.

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

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

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

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

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

751 21.C.4: Retention of Funds

752 The Trust shall retain:

753 (1) all charitable donations, gifts, grants or bequests made to it from whatever source  
754 consistent with state and federal law;

755 (2) payments from third party payers for covered services rendered by eligible providers  
756 to non-eligible patients but paid for by the Trust; and

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

758 21.D: Transitional Provisions

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

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

770 Six months prior to the establishment of a single payer system, all laws and regulations  
771 requiring health insurance carriers to maintain cash reserves for purposes of commercial stability



772 (such as under Chapter 176G, Section 25 of the General Laws) shall be repealed. In their place,  
773 the Executive Director of the Trust shall assess an annual health care stabilization fee upon the  
774 same carriers, amounting to the same sum previously required to be held in reserves, which shall  
775 be credited to the Health Care Trust Fund.

776 Section 22: Insurance Reforms.

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

781 Section 23: Health Trust Regulatory Authority.

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

786 Section 24: Implementation of the Health Care Trust.

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