HOUSE No. 1135

The Commonwealth of Massachusetts

PRESENTED BY:

Jennifer E. Benson

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to address the financial stability of the health safety net.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Jennifer E. Benson	37th Middlesex	1/16/2019
Bud L. Williams	11th Hampden	1/23/2019
Carlos González	10th Hampden	1/23/2019
Stephan Hay	3rd Worcester	1/24/2019
Christine P. Barber	34th Middlesex	1/25/2019
Susannah M. Whipps	2nd Franklin	1/26/2019
James B. Eldridge	Middlesex and Worcester	1/30/2019
Brian M. Ashe	2nd Hampden	1/30/2019

HOUSE No. 1135

By Ms. Benson of Lunenburg, a petition (accompanied by bill, House, No. 1135) of Jennifer E. Benson and others relative to Health Safety Net Trust Fund payments to acute hospitals and community health centers. Health Care Financing.

The Commonwealth of Alassachusetts

In the One Hundred and Ninety-First General Court (2019-2020)

An Act to address the financial stability of the health safety net.

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

- SECTION 1. Section 2000 of Chapter 29 of the general laws, as appearing in the 2014
- 2 official edition, shall be amended by striking the third sentence in the second paragraph in its
- 3 entirety and inserting in place thereof the following:
- 4 Money from the fund shall be transferred to the Health Safety Net Trust Fund, or any
- 5 successor fund, as necessary to provide payments to acute hospitals and community health
- 6 centers for reimbursable health services. No less than the amounts in subsection (b) of section
- 7 189 of chapter 149 of the general laws shall be annually transferred to the Health Safety Net
- 8 Trust Fund.
- 9 SECTION 2. Section 64 of Chapter 118E of the general laws, as so appearing, shall be
- amended by inserting the following new definition:

"Supplemental surcharge amount", an amount equal to 50 per cent of the annual revenue shortfall in the Health Safety Net Trust fund as estimated by the health safety net office no later than 60 days after the fund fiscal year end.

SECTION 3. Section 66 of Chapter 118E of the general laws, as so appearing, is here by amended by striking the first sentence in its entirety and inserting in place thereof the following:

The fund shall consist of: (i) all amounts paid by acute hospitals and surcharge payors under sections 67 and 68; (ii) all appropriations for the purpose of payments to acute hospitals or community health centers for health services provided to uninsured and underinsured residents; (iii) any transfers from the Commonwealth Care Trust Fund, established under section 2000 of chapter 29; (iv) all property and securities acquired by and through the use of monies belonging to the fund and all interest thereon; and (v) an amount equal to any federal financial participation revenues claimed and received by the commonwealth for eligible expenditures made from the fund.

- SECTION 4. Subsection (a) Section 68 of Chapter 118E of the general laws, as so appearing, shall be amended by inserting the following new words immediately following the phrase "total surcharge amount" in the three places that it so appears in this subsection:
- "and the supplemental surcharge amount"

- SECTION 5. Section 69 of Chapter 118E of the general laws, as so appearing, shall be amended by striking subsection b in its entirety and inserting in place thereof the following:
- (b) By April 1 of the year preceding the start of the fund fiscal year, the office shall, after consultation with the office of Medicaid, and using the best data available, provide an estimate of

the projected total reimbursable health services provided by acute hospitals and community health centers and emergency bad debt costs, the total funding available and any projected shortfall after adjusting for reimbursement payments to community health centers. If a shortfall in revenue exists in any fund fiscal year to cover projected costs for reimbursement of health services, the office shall allocate half of that shortfall in a manner that reflects each hospital's proportional financial requirement for reimbursements from the fund, including, but not limited to, the establishment of a graduated reimbursement system and under any additional regulations promulgated by the office. The remaining half of the shortfall shall be accounted for through a supplemental surcharge amount that is paid in accordance with section 64 and 68.