

**SENATE . . . . . No. 683****The Commonwealth of Massachusetts**

PRESENTED BY:

***James B. Eldridge***

*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:	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>	
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>1/22/2019</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>1/22/2019</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>1/22/2019</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Bristol and Middlesex</i>	<i>1/22/2019</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>1/22/2019</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>1/22/2019</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>1/23/2019</i>
<i>Daniel R. Carey</i>	<i>2nd Hampshire</i>	<i>1/24/2019</i>
<i>Julian Cyr</i>	<i>Cape and Islands</i>	<i>1/24/2019</i>
<i>Peter Capano</i>	<i>11th Essex</i>	<i>1/25/2019</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>1/25/2019</i>
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>1/29/2019</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and Middlesex</i>	<i>1/29/2019</i>

<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>1/29/2019</i>
<i>Edward J. Kennedy</i>	<i>First Middlesex</i>	<i>1/30/2019</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>1/30/2019</i>
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	<i>1/31/2019</i>
<i>Daniel J. Hunt</i>	<i>13th Suffolk</i>	<i>1/31/2019</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>	<i>1/31/2019</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>1/31/2019</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>1/31/2019</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>1/31/2019</i>
<i>James Arciero</i>	<i>2nd Middlesex</i>	<i>1/31/2019</i>
<i>Cynthia Stone Creem</i>	<i>First Middlesex and Norfolk</i>	<i>1/31/2019</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/1/2019</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>2/1/2019</i>
<i>Eric P. Lesser</i>	<i>First Hampden and Hampshire</i>	<i>2/1/2019</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>	<i>2/1/2019</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>2/1/2019</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>2/1/2019</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>2/1/2019</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>2/1/2019</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>	<i>2/4/2019</i>
<i>Maria Duaime Robinson</i>	<i>6th Middlesex</i>	<i>2/7/2019</i>
<i>José F. Tosado</i>	<i>9th Hampden</i>	<i>3/25/2019</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>4/3/2019</i>

# SENATE . . . . . No. 683

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By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 683) of James B. Eldridge, Lindsay N. Sabadosa, Denise C. Garlick, Joanne M. Comerford and other members of the General Court for legislation to establish Medicare for all in Massachusetts. Health Care Financing.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 619 OF 2017-2018.]

## The Commonwealth of Massachusetts

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

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           SECTION 1. The General Laws are hereby amended by inserting after chapter 175K the  
2 following chapter:—

3           CHAPTER 175L. MASSACHUSETTS HEALTH CARE TRUST

4           Section 1. Definitions

5           The following words and phrases shall have the following meanings, except where the  
6 context clearly requires otherwise:—

7           “Board”, the board of trustees of the Massachusetts Health Care Trust.

8           “Employer”, every person, partnership, association, corporation, trustee, receiver, the  
9   legal representatives of a deceased employer and every other person, including any person or  
10   corporation operating a railroad and any public service corporation, the state, county, municipal  
11   corporation, township, school or road, school board, board of education, curators, managers or  
12   control commission, board or any other political subdivision, corporation, or quasi-corporation,  
13   or city or town under special charter, or under the commission for of government, using the  
14   service of another for pay in the commonwealth.

15           “Executive Director”, the executive director of the Massachusetts Health Care Trust.

16           “Health care”, care provided to a specific individual by a licensed health care  
17   professional to promote physical and mental health, to treat illness and injury and to prevent  
18   illness and injury.

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

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

26           “Health maintenance organization”, a provider organization that meets the following  
27   criteria: (1) is fully integrated operationally and clinically to provide a broad range of health care  
28   services; (2) is compensated using capitation or overall operating budget; and (3) provides health  
29   care services primarily through direct care providers who are either employees or partners of the

organization, or through arrangements with direct care providers or one or more groups of physicians, organized on a group practice or individual practice basis.

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

“Resident”, a person who lives in Massachusetts as evidenced by an intent to continue to live in Massachusetts and to return to Massachusetts if temporarily absent, coupled with an act or acts consistent with that intent. The Trust shall adopt standards and procedures for determining whether a person is a resident. Such rules shall include: (1) a provision requiring that the person seeking resident status has the burden of proof in such determination; (2) a provision requiring reasonable durational domicile requirements not to exceed 2 years for long term care and 90 days for all other covered services; (3) a provision that a residence established for the purpose of seeking health care shall not by itself establish that a person is a resident of the commonwealth; and (4) a provision that, for the purposes of this chapter, the terms “domicile” and “dwelling place” are not limited to any particular structure or interest in real property and specifically includes homeless individuals with the intent to live and return to Massachusetts if temporarily absent coupled with an act or acts consistent with that intent.

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

“Trust”, the Massachusetts Health Care Trust.

“Trust Fund”, the Massachusetts Health Care Trust Fund.

Section 2. Policy and Goals

51 It is hereby declared to be the policy of the commonwealth to provide equitable access to  
52 quality, affordable health care services for all its residents as a right, responsive to the needs of  
53 the commonwealth and its residents, without co-insurance, co-payments or deductibles, and be  
54 accountable to its citizens through the Trust. The Trust shall be responsible for the collection and  
55 disbursement of funds required to provide health care services for every resident of the  
56 commonwealth.

57 It is hereby declared that the Trust shall guarantee health care access to all residents of  
58 the commonwealth without regard to financial or employment status, ethnicity, race, religion,  
59 gender, gender identity, sexual orientation, previous health problems, or geographic location.

60 It is hereby declared that the Trust shall provide access to health care services that is  
61 continuous, without the current need for repeated re-enrollments or changes when employers  
62 choose new plans and residents change jobs. Coverage under the Health Care Trust shall be  
63 comprehensive and affordable for individuals and families. It shall have no co-insurance, co-  
64 payments or deductibles.

65 It is hereby declared that providing access to health care services for all Massachusetts  
66 residents through a single payer health care financing system is essential for achieving and  
67 sustaining universal equitable access, affordability, cost control, and high quality medical care.

68 It is hereby further declared that in pursuit of universal access to quality, affordable care,  
69 the commonwealth shall move toward achieving the following goals:--

70 (a) to guarantee every resident of the Commonwealth access to high quality health care  
71 by: (i) providing reimbursement for all medically appropriate health care services offered by the

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

(b) to ensure that all residents have access to dental care, behavioral health, eyeglasses, hearing aids, home health care, nursing home care, and other important health care needs.

(c) to eliminate co-pays, co-payments, and co-insurance;

(d) to understand that controlling cost is a key component of establishing a sustainable health care system for the commonwealth, and work to reduce health care costs for residents, municipalities, and businesses.

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

(f) to reduce administrative cost and inefficiencies and use savings to: (i) expand covered health care services; (ii) contain health care cost increases; (iii) create provider incentives to innovate and compete by improving health care service quality and delivery to patients; and (iv) expand preventive health care programs and the delivery of primary care.

(g) to fund, approve and coordinate capital improvements in excess of a threshold to be determined annually by the executive director to qualified health care facilities in order to: (i) avoid unnecessary duplication of health care facilities and resources; and (ii) encourage expansion or location of health care providers and health care facilities in underserved communities;

(h) to assure the continued excellence of professional training and research at health care facilities in the commonwealth;

(i) to achieve measurable improvement in health care outcomes;

(j) to prevent disease and disability and maintain or improve health and functionality;

(k) to ensure that all residents of the commonwealth receive care appropriate to their special needs as well as care that is culturally and linguistically competent;

(l) to increase satisfaction with the health care system among health care providers, patients, and the employers and employees of the commonwealth;

(m) to implement policies that strengthen and improve culturally and linguistically sensitive care;

(n) to develop an integrated population-based health care database to support health care planning; and

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

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

(a) There shall be within the executive office of health and human services, but not under its control or any political subdivision thereof in the commonwealth, a division known as the Massachusetts Health Care Trust. The Trust shall be responsible for the collection and disbursement of funds required to provide health care services for every resident of the commonwealth. The Trust is hereby constituted a public instrumentality of the commonwealth



and the exercise by the Trust of the powers conferred by this chapter shall be deemed and held the performance of an essential governmental function.

(b) The provisions of chapter 268A shall apply to all trustees, officers and employees of the Trust, except that the Trust may purchase from, contract with or otherwise deal with any organization in which any trustee is interested or involved, provided, however, that such interest or involvement is disclosed in advance to the trustees and recorded in the minutes of the proceedings of the Trust, and provided, further, that a trustee having such interest or involvement may not participate in any decision relating to such organization.

(c) Neither the Trust nor any of its officers, trustees, employees, consultants or advisors shall be subject to the provisions of section 3B of chapter 7, sections 9A, 45, 46 and 52 of chapter 30, chapter 30B or chapter 31, provided, however, that in purchasing goods and services, the Trust shall at all times follow generally accepted good business practices.

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

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

134           Section 4: Powers of the Trust.

135           (a) The Trust shall have the following powers:

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

138           (2) to adopt an official seal;

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

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

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

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

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

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

151           (9) to establish advisory boards;

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

(11) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in such investments as may be lawful for fiduciaries in the commonwealth pursuant to sections 38 and 38 A of chapter 29;

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

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

#### Section 5. Board of Trustees - Composition, Powers, and Duties.

(a) The Trust shall be governed by a board of trustees with 23 members including: the secretary of health and human services; the secretary of administration and finance, and the commissioner of public health; 6 trustees appointed by the governor, three of whom shall be nominated by organizations of health care professionals who deliver direct patient care, one of whom shall be nominated by a statewide organization of health care facilities, one of whom shall

174 be nominated by an organization representing non-health care employers, and one of whom shall  
175 be a health care economist; 6 trustees appointed by the Attorney General, one of whom shall be  
176 nominated by a statewide labor organization, two of whom shall be nominated by statewide  
177 organizations who have a record of advocating for universal single payer health care in  
178 Massachusetts, one of whom shall be nominated by an organization representing Massachusetts  
179 senior citizens, one of whom shall be nominated by a statewide organization defending the rights  
180 of children, and one of whom shall be nominated by an organization providing legal services to  
181 low-income clients; and eight trustees elected by the citizens of the Commonwealth pursuant to  
182 subsection (b).

183 (b) Each of the eight citizen-elected trustees must: (1) reside in a different Governor's  
184 Council district than the other seven elected trustees; (2) be ineligible for any trustee positions  
185 appointed by the Governor or the Attorney General; (3) run in accordance with Fair Campaign  
186 Financing Rules; and (4) serve staggered four-year terms; provided, however, that two of the first  
187 eight elected trustees shall be elected for two years, three for three years, and three for four years.  
188 Each elected trustee shall be eligible for reelection.

189 (c) Each appointed trustee shall serve a term of five years: provided, however, that  
190 initially four appointed trustees shall serve three year terms, four appointed trustees shall serve  
191 four year terms, and four appointed trustees shall serve five year terms. The initial appointed  
192 trustees shall be assigned to a three, four, or five year term by lot. Any person appointed to fill a  
193 vacancy on the board shall serve for the unexpired term of the predecessor trustee. Any  
194 appointed trustee shall be eligible for reappointment. Any appointed trustee may be removed  
195 from his appointment by the governor for just cause.

196 (d) The board shall elect a chair from among its members every two years. Ten trustees  
197 shall constitute a quorum and the affirmative vote of a majority of the trustees present and  
198 eligible to vote at a meeting shall be necessary for any action to be taken by the board. The board  
199 of trustees shall meet at least ten times annually and shall have final authority over the activities  
200 of the Trust.

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

207 (f) No member of the board of trustees shall make, participate in making, or in any way  
208 attempt to use his or her official position to influence a governmental decision in which he or she  
209 knows or has reason to know that he or she, or a family member or a business partner or  
210 colleague has a financial interest.

211 (g) The board is responsible for ensuring universal access to high quality, affordable  
212 health care for every resident of the Commonwealth and shall specifically address the following:

213 (1) establish policy on medical issues, population-based public health issues, research  
214 priorities, scope of services, expanding access to care, and evaluation of the performance of the  
215 system;

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

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

#### Section 7. Executive Director; Purpose and Duties.

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

(b) The executive director may, as s/he deems necessary or suitable for the effective administration and proper performance of the duties of the Trust and subject to the approval of the board of trustees, do the following: (1) adopt, amend, alter, repeal and enforce, all such reasonable rules, regulations and orders as may be necessary; and (2) appoint and remove employees and consultants: provided, however, that, subject to the availability of funds in the Trust, at least one employee shall be hired to serve as director of each of the divisions created in sections eight through 12, inclusive, of this chapter.

(c) The executive director shall: (1) establish an enrollment system that will ensure that all eligible Massachusetts residents are formally enrolled; (2) use the purchasing power of the state to negotiate price discounts for prescription drugs and all needed durable and nondurable medical equipment and supplies; (3) negotiate or establish terms and conditions for the provision of high quality health care services and rates of reimbursement for such services on behalf of the residents of the commonwealth; (4) develop prospective and retrospective payment systems for

covered services to provide prompt and fair payment to eligible providers and facilities; (5) oversee preparation of annual operating and capital budgets for the statewide delivery of health care services; (6) oversee preparation of annual benefits reviews to determine the adequacy of covered services; and (7) prepare an annual report to be submitted to the governor, the president of the senate and speaker of the house of representatives and to be easily accessible to every Massachusetts resident.

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

#### Section 8. Regional Division; Director, Offices, Purposes, and Duties.

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

(b) The Trust shall have a reasonable number of regional offices located throughout the state. The number and location of these offices shall be proposed to the executive director and board of trustees by the director of the regional division after consultation with the directors of the planning, administration, quality assurance and information technology divisions and consideration of convenience and equity. The adequacy and appropriateness of the number and location of regional offices shall be reviewed by the board at least once every 3 years.

(c) The regional division shall establish a statewide education program that ensures that all residents understand how the trust affects their health care costs, including, but not limited to, information about the following: (1) tax increases; (2) elimination of premiums, co-payments, and deductibles; (3) state-issued health care cards; and (4) choosing providers. Each regional office shall be professionally staffed to perform local outreach and informational functions and to respond to questions, complaints, and suggestions from health care consumers and providers.

(d) Each regional office shall hold public hearings annually to determine unmet health care needs and for other relevant reasons. Regional office staff shall immediately refer evidence of unmet needs or of poor quality care to the director of the regional division who will plan and implement remedies in consultation with the directors of the administrative, planning, quality assurance, and information technology divisions.

#### Section 9. Administrative Division - Director, Purpose, and Duties.

(a) There shall be an administrative division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this chapter and in any other general or special law shall be exercised and discharged subject to the direction, control and supervision of the executive director of the Trust. The director of the administrative



division shall be appointed by the executive director of the Trust, with the approval of the board of trustees, and may, with like approval, be removed. The director may, at the director's discretion, establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% consumer representation.

(b) The administrative division shall have day-to-day responsibility for: (1) making prompt payments to providers and facilities for covered services; (2) collecting reimbursement from private and public third party payers and individuals for services not covered by this chapter or covered services rendered to non-eligible patients; (3) developing information management systems needed for provider payment, rebate collection and utilization review; (4) investing trust fund assets consistent with state law and section 19 of this chapter; (5) developing operational budgets for the Trust; and (6) assisting the planning division to develop capital budgets for the Trust.

#### Section 10. Planning Division - Director, Purpose, and Duties.

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

(b) The planning division shall have responsibility for coordinating health care resources and capital expenditures to ensure all eligible participants reasonable access to covered services.

The responsibilities shall include but are not limited to:

(1) An annual review of the adequacy of health care resources throughout the commonwealth and recommendations for changes. Specific areas to be evaluated include but are not limited to the resources needed for underserved populations and geographic areas, for recruitment of primary care physicians, dentists, and other specialists needed to provide quality health care, for culturally and linguistically competent care, and for emergency and trauma care.

The director shall develop short term and long term plans to meet health care needs; and

(2) An annual review of capital health care needs, including but not limited to recommendations for a budget for all health care facilities, evaluating all capital expenses in excess of a threshold amount to be determined annually by the executive director , and collaborating with local and statewide government and health care institutions to coordinate capital health planning and investment. The director shall develop short term and long term plans to meet capital expenditure needs.

(c) In making its review, the planning division shall consult with the regional offices of the Trust and shall hold public hearings throughout the state on proposed recommendations. The division shall submit to the board of trustees its final annual review and recommendations by October 1. Subject to board approval, the Trust shall adopt the recommendations.

#### Section 11. Information Technology Division - Purpose and Duties.

(a) There shall be an information technology division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this

chapter and in any other general or special law shall be exercised and discharged subject to the direction, control and supervision of the executive director of the Trust. The director of the information technology division shall be appointed by the executive director of the Trust, with the approval of the board of trustees, and may, with like approval, be removed. The director may, at the director's discretion, establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% consumer representation.

(b) The responsibilities of the information technology division shall include but are not limited to: (1) developing an information technology system that is compatible with all medical and dental facilities in Massachusetts; (2) maintaining a confidential electronic medical records system and prescription system in accordance with laws and regulations to maintain accurate patient records and to simplify the billing process, thereby reducing medical errors and bureaucracy; and (3) developing a tracking system to monitor quality of care, establish a patient data base and promote preventive care guidelines and medical alerts to avoid errors.

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

## Section 12. Quality Assurance Division - Director, Purpose, and Duties.

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

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

(b) The quality assurance division shall support the establishment of a universal, best quality of standard of care with respect to: (1) appropriate hospital staffing levels for quality care; (2) evidence-based best clinical practices developed from analysis of outcomes of medical interventions; appropriate medical technology; (3) design and scope of work in the health workplace; and development of clinical practices that lead toward elimination of medical errors; (4) timely access to needed medical and dental care; (5) development of medical homes that provide efficient patient-centered integrated care; and (6) compassionate end-of-life care that provides comfort and relief of pain in an appropriate setting evidence-based best clinical practices.

(c) The director shall conduct a comprehensive annual review of the quality of health care services and outcomes throughout the commonwealth and submit such recommendations to the board of trustees as may be required to maintain and improve the quality of health care service delivery and the overall health of Massachusetts residents. In making its reviews, the quality assurance division shall consult with the regional, administrative, and planning divisions and hold public hearings throughout the state on quality of care issues. The division shall submit to the board of trustees its final annual review and recommendations on how to ensure the highest

quality health care service delivery by October 1. Subject to board approval, the Trust shall adopt the recommendations.

### Section 13. Eligible Participants.

(a) The following persons shall be eligible participants in the Massachusetts Health Care Trust:

(1) all Massachusetts residents,

(2) all non-residents who:

(i) work 20 hours or more per week in Massachusetts;

(ii) pay all applicable Massachusetts personal income and payroll taxes;

(iii) pay any additional premiums established by the Trust to cover non-residents; and

(iv) have complied with requirements (a) through (c) inclusive for at least 90 days

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

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

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

#### Section 14. Eligible Health Care Providers and Facilities.

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

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

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

(3) furnishes a signed agreement that:

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

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

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

(iv) the provider or facility will furnish such information as may be reasonably required by the Trust for making payment, verifying reimbursement and rebate information, utilization

405 review analyses, statistical and fiscal studies of operations and compliance with state and federal  
406 law;

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

409 (5) meets whatever additional requirements that may be established by the Trust.

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

411 (a) To carry out this Act there are established on an annual basis:

412 (1) an operating budget;

413 (2) a capital expenditures budget; and

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

415 (b) The operating budget shall be used for:

416 (1) payment for services rendered by physicians and other clinicians;

417 (2) global budgets for institutional providers;

418 (3) capitation payments for capitated groups; and

419 (4) administration of the Trust.

420 (c) Payments for operating expenses shall not be used to finance capital expenditures;

421 payment of exorbitant salaries; or for activities to assist, promote, deter or discourage union

422 organizing. Any prospective payments made in excess of actual costs for covered services shall

423 be returned to the Trust. Prospective payment rates and schedules shall be adjusted annually to

incorporate retrospective adjustments. Except as provided in section sixteen of this chapter, reimbursement for covered services by the Trust shall constitute full payment for the services rendered.

(d) The Trust shall provide for retrospective adjustment of payments to eligible health care facilities and providers to:

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

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

(e) The capital expenditures budget shall be used for funds needed for:

(1) the construction or renovation of health facilities; and

(2) major equipment purchases.

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

(g) The Trust shall provide funding for payment of debt service on outstanding bonds as of the effective date of this Act and shall be the sole source of future funding, whether directly or indirectly, through the payment of debt service, for capital expenditures by health care providers



and facilities covered by the Trust in excess of a threshold amount to be determined annually by the executive director.

#### Section 16. Covered Benefits.

(a) The Trust shall pay for all professional services provided by eligible providers and facilities to eligible participants needed to:

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

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

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

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

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

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

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

463 (4) mental health services, including supportive residences, occupational therapy, and  
464 ongoing outpatient services for patients with serious mental illness;

465 (5) prenatal, perinatal and maternity care, family planning, fertility and reproductive  
466 health care;

467 (6) home health care including personal care;

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

469 (8) hospice care;

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

472 (10) emergency and other medically necessary transportation;

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

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

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

477 (14) prescription drugs; and

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

479 (c) No deductibles, co-payments, co-insurance, or other cost sharing shall be imposed  
480 with respect to covered benefits. Patients shall have free choice of participating physicians and  
481 other clinicians, hospitals, inpatient care facilities and other providers and facilities.

Section 17. Wraparound Coverage for Federal Health Programs.

(a) Prior to obtaining any federal program's waivers to receive federal funds through the Health Care Trust, the Trust will seek to ensure that participants eligible for federal program coverage receive access to care and coverage equal to that of all other Massachusetts participants. It shall do so by (1) paying for all services enumerated under Section 16 not covered by the relevant federal plans; (2) paying for all such services during any federally mandated gaps in participants' coverage; and (3) paying for any deductibles, co-payments, co-insurance, or other cost sharing incurred by such participants.

Section 18. Establishment of the Health Care Trust Fund.

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

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

Section 19. Purpose of the Trust Fund.

(a) Amounts credited to the Trust Fund shall be used for the following purposes:

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

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

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

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

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

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

518 (7) to fund a reserve account to finance anticipated long-term cost increases due to  
519 demographic changes, inflation or other foreseeable trends that would increase Trust Fund  
520 liabilities, and for budgetary shortfall, epidemics, and other extraordinary events, not to exceed  
521 1% of Trust income in any fiscal year: provided, however, that the Trust reserve account shall at  
522 no time constitute more than 5% of total Trust assets;

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

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

#### Section 20. Funding Sources.

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

(b) The following dedicated health care taxes will replace spending on insurance premiums and out-of-pocket spending for services covered by the Trust. Prior to each state fiscal year of operation, the Trust will prepare for the Legislature a projected budget for the coming fiscal year, with recommendations for rising or declining revenue needs.

(1) An employer payroll tax of 7.5 percent will be assessed, exempting the first \$30,000 of payroll per establishment, replacing previous spending by employers on health premiums. An

544 additional employer payroll tax of 0.44% will be assessed on establishments with 100 or more  
545 employees;

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

548 (3) A payroll tax on the self-employed of 10 percent will be assessed, exempting the first  
549 \$30,000 of payroll per self-employed resident; and

550 (4) A tax on unearned income of 10 percent will be assessed on such income above  
551 \$30,000. Social Security, SSI, SSDI, unemployment benefits and defined contribution and  
552 defined benefit pension payments shall not be included in the unearned income to be taxed

553 (c) An employer, private or public, may agree to pay all or part of an employee's payroll  
554 tax obligation. Such payment shall not be considered income for Massachusetts income tax  
555 purposes.

556 (d) Default, underpayment, or late payment of any tax or other obligation imposed by the  
557 Trust shall result in the remedies and penalties provided by law, except as provided in this  
558 section.

559 (e) Eligibility for benefits shall not be impaired by any default, underpayment, or late  
560 payment of any tax or other obligation imposed by the Trust.

561 (f) It is the intent of this act to establish a single public payer for all health care in the  
562 commonwealth. Towards this end, public spending on health insurance will be consolidated into  
563 the Trust to the greatest extent possible. Until such time as the role of all other payers for health  
564 care has been terminated, health care costs shall be collected from collateral sources whenever

565 medical services provided to an individual are, or may be, covered services under a policy of  
566 insurance, health care service plan, or other collateral source available to that individual, or for  
567 which the individual has a right of action for compensation to the extent permitted by law.

568 (g) The Legislature will be empowered to transfer funds from the General Fund sufficient  
569 to meet the Trust's projected expenses beyond projected income from dedicated tax revenues.  
570 This lump transfer will replace current General Fund spending on health benefits for state  
571 employees, services for patients at public in-patient facilities, and all means- or needs-tested  
572 health benefit programs.

573 (h) The Trust shall receive all monies paid to the commonwealth by the federal  
574 government for health care services covered by the Trust. The Trust shall seek to maximize all  
575 sources of federal financial support for health care services in Massachusetts. Accordingly, the  
576 executive director shall seek all necessary waivers, exemptions, agreements, or legislation, if  
577 needed, so that all current federal payments for health care shall, consistent with the federal law,  
578 be paid directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or  
579 legislation, the executive director shall seek from the federal government a contribution for  
580 health care services in Massachusetts that shall not decrease in relation to the contribution to  
581 other states as a result of the waivers, exemptions, agreements, or legislation.

582 (i) As used in this section, collateral source includes all of the following:

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

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

586 (3) employee benefit contracts;

587 (4) government benefit programs;

588 (5) a judgment for damages for personal injury;

589 (6) any third party who is or may be liable to an individual for health care services or  
590 costs;

591 (j) As used in this section, collateral sources do not include either of the following:

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

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

595 (k) An entity described as a collateral source is not excluded from the obligations  
596 imposed by this section by virtue of a contract or relationship with a governmental unit, agency,  
597 or service.

598 (l) Whenever an individual receives health care services under the system Trust and the  
599 individual is entitled to coverage, reimbursement, indemnity, or other compensation from a  
600 collateral source, the individual shall notify the health care provider or facility and provide  
601 information identifying the collateral source other than federal sources, the nature and extent of  
602 coverage or entitlement, and other relevant information. The health care provider or facility shall  
603 forward this information to the executive director. The individual entitled to coverage,  
604 reimbursement, indemnity, or other compensation from a collateral source shall provide  
605 additional information as requested by the executive director.



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

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

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

(o) The Trust shall retain:

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

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

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

(p) Any employer who has a contract with an insurer, health services corporation or health maintenance organization to provide health care services or benefits for its employees, which is in effect on the effective date of this section, shall be entitled to an income tax credit

627 against premiums otherwise due in an amount equal to the Trust fund premium due pursuant to  
628 this section.

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

635 (r) Six months prior to the establishment of a single payer system, all laws and  
636 regulations requiring health insurance carriers to maintain cash reserves for purposes of  
637 commercial stability (such as under Chapter 176G, Section 25 of the General Laws) shall be  
638 repealed. In their place, the Executive Director of the Trust shall assess an annual health care  
639 stabilization fee upon the same carriers, amounting to the same sum previously required to be  
640 held in reserves, which shall be credited to the Health Care Trust Fund.

641 Section 21. Insurance Reforms.

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

646 Section 22. Health Trust Regulatory Authority.

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

651           Section 23. Implementation of the Health Care Trust.

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