

HOUSE No. 1267

The Commonwealth of Massachusetts

PRESENTED BY:

Denise C. Garlick and Lindsay N. Sabadosa

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

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

An Act establishing Medicare for all in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>	<i>2/18/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>2/18/2021</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>2/19/2021</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>2/22/2021</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>	<i>2/22/2021</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>	<i>2/22/2021</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>2/22/2021</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	<i>2/22/2021</i>
<i>Dylan A. Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>2/22/2021</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>2/24/2021</i>
<i>Steven C. Owens</i>	<i>29th Middlesex</i>	<i>2/24/2021</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/24/2021</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>2/24/2021</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>2/25/2021</i>
<i>Daniel R. Carey</i>	<i>2nd Hampshire</i>	<i>2/25/2021</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>2/25/2021</i>
<i>Adrian C. Madaro</i>	<i>1st Suffolk</i>	<i>2/25/2021</i>
<i>Orlando Ramos</i>	<i>9th Hampden</i>	<i>2/25/2021</i>

<i>Jacob R. Oliveira</i>	<i>7th Hampden</i>	<i>2/26/2021</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>2/26/2021</i>
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>	<i>2/26/2021</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>2/26/2021</i>
<i>Christina A. Minicucci</i>	<i>14th Essex</i>	<i>2/26/2021</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/26/2021</i>
<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>2/26/2021</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/26/2021</i>
<i>Maria Duaine Robinson</i>	<i>6th Middlesex</i>	<i>2/26/2021</i>
<i>Peter Capano</i>	<i>11th Essex</i>	<i>2/26/2021</i>
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>2/26/2021</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>2/26/2021</i>
<i>Tommy Vitolo</i>	<i>15th Norfolk</i>	<i>2/26/2021</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>2/26/2021</i>
<i>Smitty Pignatelli</i>	<i>4th Berkshire</i>	<i>3/4/2021</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>3/8/2021</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>3/1/2021</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>3/10/2021</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>	<i>3/29/2021</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>3/29/2021</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>3/29/2021</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	<i>3/31/2021</i>
<i>Patrick Joseph Kearney</i>	<i>4th Plymouth</i>	<i>3/31/2021</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>4/5/2021</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>4/12/2021</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	<i>4/16/2021</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>5/10/2021</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>5/10/2021</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>	<i>5/10/2021</i>
<i>Jon Santiago</i>	<i>9th Suffolk</i>	<i>5/10/2021</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>5/11/2021</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>	<i>5/11/2021</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Bristol and Middlesex</i>	<i>5/12/2021</i>
<i>Chynah Tyler</i>	<i>7th Suffolk</i>	<i>5/18/2021</i>
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>	<i>6/3/2021</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>6/11/2021</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>	<i>6/23/2021</i>
<i>Liz Miranda</i>	<i>5th Suffolk</i>	<i>7/2/2021</i>
<i>Carol A. Doherty</i>	<i>3rd Bristol</i>	<i>7/5/2021</i>

<i>Marcos A. Devers</i>	<i>16th Essex</i>	<i>8/17/2021</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>8/23/2021</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>	<i>9/21/2021</i>
<i>Michael P. Kushmerek</i>	<i>3rd Worcester</i>	<i>9/30/2021</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>10/3/2021</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>10/7/2021</i>
<i>Kip A. Diggs</i>	<i>2nd Barnstable</i>	<i>10/26/2021</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>	<i>11/1/2021</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>12/2/2021</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	<i>12/13/2021</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>	<i>1/3/2022</i>
<i>Sarah K. Peake</i>	<i>4th Barnstable</i>	<i>5/19/2022</i>

HOUSE No. 1267

By Representatives Garlick of Needham and Sabadosa of Northampton, a petition (accompanied by bill, House, No. 1267) of Denise C. Garlick, Lindsay N. Sabadosa and others relative to providing access to health care services for all residents through a single payer Medicare for all health care financing system. Health Care Financing.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

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 175M the
2 following chapter:-

3 CHAPTER 175N. 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 practitioner”, 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 “Professional advisory committee”, a committee of advisors appointed by the director of
27 the Administrative, Planning, Information, Technology, or any Regional division of the
28 Massachusetts Health Care Trust.

29 “Resident”, a person who lives in Massachusetts as evidenced by an intent to continue to
30 live in Massachusetts and to return to Massachusetts if temporarily absent, coupled with an act or
31 acts consistent with that intent. The Trust shall adopt standards and procedures for determining

32 whether a person is a resident. Such rules shall include: (1) a provision requiring that the person
33 seeking resident status has the burden of proof in such determination; (2) a provision that a
34 residence established for the purpose of seeking health care shall not by itself establish that a
35 person is a resident of the Commonwealth; and (3) a provision that, for the purposes of this
36 chapter, the terms “domicile” and “dwelling place” are not limited to any particular structure or
37 interest in real property and specifically includes homeless individuals with the intent to live and
38 return to Massachusetts if temporarily absent coupled with an act or acts consistent with that
39 intent.

40 “Secretary”, the Secretary of the Executive Office of Health and Human Services.

41 “Trust”, the Massachusetts Health Care Trust.

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

43 Section 2. Policy and Goals

44 It is hereby declared to be the policy of the Commonwealth to provide equitable access to
45 quality, affordable health care services for all its residents as a right, responsive to the needs of
46 the Commonwealth and its residents, without co-insurance, co-payments, deductibles, or any
47 other form of patient cost sharing and be accountable to its citizens through the Trust. The Trust
48 shall be responsible for the collection and disbursement of funds required to provide health care
49 services for every resident of the Commonwealth.

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

53 It is hereby declared that the Trust shall provide access to health care services that is
54 continuous, without the current need for repeated re-enrollments or changes when employers
55 choose new plans and residents change jobs. Coverage under the Health Care Trust shall be
56 comprehensive and affordable for individuals and families. It shall have no co-insurance, co-
57 payments, deductibles, or any other form of patient cost sharing.

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

61 It is hereby further declared that in pursuit of universal access to quality, affordable care,
62 the Commonwealth shall move toward achieving the following goals:

63 (a) to guarantee every resident of the Commonwealth access to high quality health care
64 by: (i) providing reimbursement for all medically appropriate health care services offered by the
65 eligible practitioner or facility of each resident's choice; and (ii) funding capital investments for
66 adequate health care facilities and resources statewide.

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

69 (c) to eliminate co-insurance, co-payments, deductibles, and any other form of patient
70 cost sharing;

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

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

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

81 (g) to fund, approve and coordinate capital improvements in excess of a threshold to be
82 determined annually by the Executive Director to qualified health care facilities in order to: (i)
83 avoid unnecessary duplication of health care facilities and resources; and (ii) encourage
84 expansion or location of health care practitioners and health care facilities in underserved
85 communities;

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

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

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

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

92 (l) to increase satisfaction with the health care system among health care practitioners,
93 patients, and the employers and employees of the Commonwealth;

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

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

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

100 Section 3. Establishment of the Massachusetts Health Care Trust

101 (a) There shall be within the Executive Office of Health and Human Services, but not
102 under its control or any political subdivision thereof in the Commonwealth, a division known as
103 the Massachusetts Health Care Trust. The Trust shall be responsible for the collection and
104 disbursement of funds required to provide health care services for every resident of the
105 Commonwealth. The Trust is hereby constituted a public instrumentality of the Commonwealth
106 and the exercise by the Trust of the powers conferred by this chapter shall be deemed and held
107 the performance of an essential governmental function.

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

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

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

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

128 Section 4: Powers of the Trust

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

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

132 (2) to adopt an official seal;

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

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

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

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

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

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

145 (9) to establish advisory boards;

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

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

151 (12) to accept, hold, use, apply, and dispose of any and all donations, grants, bequests and
152 devises, conditional or otherwise, of money, property, services or other things of value which
153 may be received from the United States or any agency thereof, any governmental agency, any
154 institution, person, firm or corporation, public or private, such donations, grants, bequests and

155 devises to be held, used, applied or disposed for any or all of the purposes specified in this
156 chapter and in accordance with the terms and conditions of any such grant. A receipt of each
157 such donation or grant shall be detailed in the annual report of the Trust; such annual report shall
158 include the identity of the donor, lender, the nature of the transaction and any condition attaching
159 thereto;

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

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

163 (a) The Trust shall be governed by a Board of Trustees with 29 members including:

164 (1) the Secretary of Health and Human Services; the Secretary of Administration and
165 Finance, and the Commissioner of Public Health;

166 (2) eight Trustees appointed by the Governor, three of whom shall be nominated by
167 organizations of health care professionals who deliver direct patient care, one of whom shall be
168 nominated by a statewide organization of health care facilities, one of whom shall be nominated
169 by an organization representing non-health care employers, one of whom shall be nominated by
170 a disability rights organization, one of whom shall be nominated by an organization advocating
171 for mental health care, and one of whom shall be a health care economist;

172 (3) ten Trustees appointed by the Attorney General, two of whom shall be nominated by a
173 statewide labor organization, two of whom shall be nominated by statewide organizations who
174 have a record of advocating for universal single payer health care in Massachusetts, one of whom
175 shall be nominated by an organization representing Massachusetts senior citizens, one of whom

176 shall be nominated by a statewide organization defending the rights of children, one of whom
177 shall be nominated by an organization providing legal services to low-income clients, one of
178 whom shall be an epidemiologist, one of whom shall be an expert in racial disparities in health
179 care nominated by a statewide public health organization, and one of whom shall be an expert in
180 women's health care nominated by a statewide public health organization;

181 (4) and eight Trustees elected by the citizens of the Commonwealth pursuant to
182 subsection (b).

183 (5) Before appointing members to the Board of Trustees, the Governor and the Attorney
184 General shall conduct a public awareness process, encourage representation from different racial,
185 ethnic, and gender populations, and take nominations from all interested organizations.

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

192 (c) Each appointed Trustee shall serve a term of five years: provided, however, that
193 initially six appointed Trustees shall serve three-year terms, six appointed Trustees shall serve
194 four-year terms, and six appointed Trustees shall serve five-year terms. The initial appointed
195 Trustees shall be assigned to a three-, four-, or five- year term by lot. Any person appointed to
196 fill a vacancy on the Board shall serve for the unexpired term of the predecessor Trustee. Any
197 appointed Trustee shall be eligible for reappointment to a second term only. Any appointed

198 Trustee may be removed from the Trustee’s appointment by the Governor or Attorney General,
199 respectively, for just cause.

200 (d) The Board shall elect a chair from among its members every two years. A majority of
201 the Trustees shall constitute a quorum and the affirmative vote of a majority of the Trustees
202 present and eligible to vote at a meeting shall be necessary for any action to be taken by the
203 Board. The Board of Trustees shall meet at least ten times annually and shall have final authority
204 over the activities of the Trust.

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

211 (f) No member of the Board of Trustees shall make, participate in making, or in any way
212 attempt to use his or her official position to influence a governmental decision in which the
213 Trustee knows or has reason to know that the Trustee, or a family member or a business partner
214 or colleague, has a financial interest.

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

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

220 (2) evaluate proposals from the Executive Director and others for innovative approaches
221 to health promotion, disease and injury prevention, health education and research, and health
222 care delivery; and

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

225 Section 6. Executive Director; Purpose and Duties

226 (a) The Board of Trustees shall hire an Executive Director who shall be the executive and
227 administrative head of the Trust and shall be responsible for administering and enforcing the
228 provisions of law relative to the Trust.

229 (b) The Executive Director may, as she or he deems necessary or suitable for the effective
230 administration and proper performance of the duties of the Trust and subject to the approval of
231 the Board of Trustees, do the following: (1) adopt, amend, alter, repeal and enforce, all such
232 reasonable rules, regulations and orders as may be necessary; and (2) appoint and remove
233 employees and consultants: provided, however, that, subject to the availability of funds in the
234 Trust, at least one employee shall be hired to serve as director of each of the divisions created in
235 Sections 7 through 11, inclusive, of this chapter.

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

242 covered services to provide prompt and fair payment to eligible practitioners and facilities; (5)
243 oversee preparation of annual operating and capital budgets for the statewide delivery of health
244 care services; (6) oversee preparation of annual benefits reviews to determine the adequacy of
245 covered services; and (7) prepare an annual report to be submitted to the Governor, the President
246 of the Senate and Speaker of the House of Representatives and to be easily accessible to every
247 Massachusetts resident.

248 (d) The Executive Director of the Trust may utilize and shall coordinate with the offices,
249 staff and resources of any agencies of the executive branch including, but not limited to, the
250 Executive Office of Health and Human Services and all line agencies under its jurisdiction, the
251 Center for Health Information and Analysis, the Department of Revenue, the Division of
252 Insurance, the Group Insurance Commission, the Department of Employment and Training, the
253 Industrial Accidents Board, the Health and Educational Finance Authority, and all other
254 executive agencies.

255 Section 7. Regional Division; Director, Offices, Purposes, and Duties

256 (a) There shall be a regional division within the Trust which shall be under the
257 supervision and control of a director. The powers and duties given the director in this chapter and
258 in any other general or special law shall be exercised and discharged subject to the control and
259 supervision of the Executive Director of the Trust. The director of the regional division shall be
260 appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and
261 may, with like approval, be removed. The director shall establish a professional advisory
262 committee to provide expert advice: provided, however, that such committee shall have at least
263 25% representation from the general public.

264 (b) The Trust shall have a reasonable number of regional offices located throughout the
265 state. The number and location of these offices shall be proposed to the Executive Director and
266 Board of Trustees by the director of the regional division after consultation with the directors of
267 the planning, administration, quality assurance and information technology divisions and
268 consideration of convenience and equity. The adequacy and appropriateness of the number and
269 location of regional offices shall be reviewed by the Board at least once every 3 years.

270 (c) The regional division shall establish a statewide education program that ensures that
271 all residents understand how the Trust affects their health care costs, including, but not limited
272 to, information about the following: (1) tax increases; (2) elimination of premiums, co-payments,
273 deductibles, and any other form of patient cost sharing; (3) state-issued health care cards; and (4)
274 choosing practitioners. Each regional office shall be professionally staffed to perform local
275 outreach and informational functions and to respond to questions, complaints, and suggestions.

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

281 Section 8. Administrative Division - Director, Purpose, and Duties

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

286 division shall be appointed by the Executive Director of the Trust, with the approval of the Board
287 of Trustees, and may, with like approval, be removed. The director may, at the director's
288 discretion, establish a professional advisory committee to provide expert advice: provided,
289 however, that such committee shall have at least 25% representation from the general public.

290 (b) The administrative division shall have day-to-day responsibility for: (1) making
291 prompt payments to practitioners and facilities for covered services; (2) collecting
292 reimbursement from private and public third party payers and individuals for services not
293 covered by this chapter or covered services rendered to non-eligible patients; (3) developing
294 information management systems needed for practitioner payment, rebate collection and
295 utilization review; (4) investing Trust Fund assets consistent with state law and Section 18 of this
296 chapter; (5) developing operational budgets for the Trust; and (6) assisting the planning division
297 to develop capital budgets for the Trust.

298 Section 9. Planning Division - Director, Purpose, and Duties

299 (a) There shall be a planning division within the Trust which shall be under the
300 supervision and control of a director. The powers and duties given the director in this chapter and
301 in any other general or special law shall be exercised and discharged subject to the direction,
302 control and supervision of the Executive Director of the Trust. The director of the planning
303 division shall be appointed by the Executive Director of the Trust, with the approval of the Board
304 of Trustees, and may, with like approval, be removed. The director may, at the director's
305 discretion, establish a professional advisory committee to provide expert advice: provided,
306 however, that such committee shall have at least 25% representation from the general public.

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

309 The responsibilities shall include but are not limited to:

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

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

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

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

326 Section 10. Information Technology Division - Purpose and Duties

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

329 chapter and in any other general or special law shall be exercised and discharged subject to the
330 direction, control and supervision of the Executive Director of the Trust. The director of the
331 information technology division shall be appointed by the Executive Director of the Trust, with
332 the approval of the Board of Trustees, and may, with like approval, be removed. The director
333 may, at the director's discretion, establish a professional advisory committee to provide expert
334 advice: provided, however, that such committee shall have at least 25% representation from the
335 general public.

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

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

349 Section 11. Quality Assurance Division - Director, Purpose, and Duties

350 (a) There shall be a quality assurance division within the Trust which shall be under the
351 supervision and control of a director. The powers and duties given the director in this chapter and
352 in any other general or special law shall be exercised and discharged subject to the direction,
353 control and supervision of the Executive Director of the Trust. The director of the quality
354 assurance division shall be appointed by the Executive Director of the Trust, with the approval of
355 the Board of Trustees, and may, with like approval, be removed. The director may, at the
356 director's discretion, establish a professional advisory committee to provide expert advice:
357 provided, however, that such committee shall have at least 25% representation from the general
358 public.

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

368 (c) The director shall conduct a comprehensive annual review of the quality of health care
369 services and outcomes throughout the Commonwealth and submit such recommendations to the
370 Board of Trustees as may be required to maintain and improve the quality of health care service
371 delivery and the overall health of Massachusetts residents. In making its reviews, the quality
372 assurance division shall consult with the regional, administrative, and planning divisions and

373 hold public hearings throughout the state on quality of care issues. The division shall submit to
374 the Board of Trustees its final annual review and recommendations on how to ensure the highest
375 quality health care service delivery by October 1. Subject to Board approval, the Trust shall
376 adopt the recommendations.

377 Section 12. Eligible Participants

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

380 (1) all Massachusetts residents, regardless of citizenship status, including incarcerated
381 persons;

382 (2) all non-residents who:

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

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

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

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

388 (b) In recognition that many Massachusetts residents that live on the border of other
389 States routinely seek medical care outside of Massachusetts, payment for non-emergency care of
390 Massachusetts residents obtained out of state shall be according to rates and conditions
391 established by the Executive Director. Payment for emergency care of Massachusetts residents
392 obtained out of state shall be at prevailing local rates. Payment for non-emergency care of

393 Massachusetts residents obtained out of state shall be according to rates and conditions
394 established by the Executive Director. The Executive Director may require that a resident be
395 transported back to Massachusetts when prolonged treatment of an emergency condition is
396 necessary if transportation is safe for the patient in light of the patient's medical condition.

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

400 Section 13. Eligible Health Care Practitioners and Facilities

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

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

405 (2) does not accept payment from other sources for services provided for by the Trust;

406 (3) furnishes a signed agreement that:

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

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

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

414 (iv) the practitioner or facility will furnish such information as may be reasonably
415 required by the Trust for making payment, verifying reimbursement and rebate information,
416 utilization review analyses, statistical and fiscal studies of operations and compliance with state
417 and federal law;

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

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

421 Section 14. Budgeting and Payments to Eligible Health Care Practitioners and Facilities

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

423 (1) an operating budget;

424 (2) a capital expenditures budget; and

425 (3) reimbursement levels for practitioners consistent with rates set by the Trust that
426 ensure that: (i) the total costs of all services offered by or through the practitioner are reasonable;
427 and (ii) the aggregate rates of the practitioner are related reasonably to the aggregate costs of the
428 health care practitioner.

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

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

431 (2) global budgets for institutional practitioners;

432 (3) capitation payments for capitated groups; and

433 (4) administration of the Trust.

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

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

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

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

438 incorporate retrospective adjustments. Except as provided in Section 15 of this chapter,

439 reimbursement for covered services by the Trust shall constitute full payment for the services

440 rendered.

441 (d) The Trust shall provide for retrospective adjustment of payments to eligible health

442 care facilities and practitioners to:

443 (1) assure that payments to such practitioners and facilities reflect the difference between

444 actual and projected use and expenditures for covered services; and

445 (2) protect health care practitioners and facilities who serve a disproportionate share of

446 eligible participants whose expected use of covered health care services and expected health care

447 expenditures for such services are greater than the average use and expenditure rates for eligible

448 participants statewide.

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

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

451 (2) major equipment purchases.

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

455 (g) The Trust shall provide funding for payment of debt service on outstanding bonds as
456 of the effective date of this Act and shall be the sole source of future funding, whether directly or
457 indirectly, through the payment of debt service, for capital expenditures by health care
458 practitioners and facilities covered by the Trust in excess of a threshold amount to be determined
459 annually by the Executive Director.

460 Section 15. Covered Benefits

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

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

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

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

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

469 (1) prevention, diagnosis and treatment of illness and injury, including laboratory,
470 diagnostic imaging, inpatient, ambulatory and emergency medical care, blood and blood

471 products, dialysis, mental health services, palliative care, dental care, acupuncture, physical
472 therapy, chiropractic and podiatric services;

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

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

477 (4) mental health services, including supportive residences, occupational therapy, and
478 ongoing outpatient services;

479 (5) behavioral health services, including supportive residences, occupational therapy, and
480 ongoing outpatient services;

481 (6) substance misuse services, including supportive residences and ongoing outpatient
482 service;

483 (7) prenatal, perinatal and maternity care, family planning, fertility and reproductive
484 health care, including abortion;

485 (8) long-term services and supports including home health care and personal support
486 care;

487 (9) long term care in institutional and community-based settings;

488 (10) hospice care;

489 (11) language interpretation and such other medical or remedial services as the Trust
490 shall determine;

- 491 (12) emergency and other medically necessary transportation;
- 492 (13) the full scale of dental services, other than cosmetic dentistry;
- 493 (14) basic vision care and correction, including glasses, other than laser vision correction
494 for cosmetic purposes;
- 495 (15) hearing evaluation and treatment including hearing aids;
- 496 (16) prescription drugs;
- 497 (17) durable and non-durable medical equipment, supplies, and appliances, including
498 complex rehabilitation technology products and services as medically necessary, individually-
499 configured manual and power wheelchair systems, adaptive seating systems, alternative
500 positioning systems, and other mobility devices that require evaluation, fitting, configuration,
501 adjustment or programming; and
- 502 (18) all new emerging technologies irrespective of where the parent company is located,
503 such as telemedicine and telehealth practitioners.

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

507 Section 16. Wraparound Coverage for Federal Health Programs

508 (a) Prior to obtaining any federal program's waivers to receive federal funds through the
509 Health Care Trust, the Trust shall seek to ensure that participants eligible for federal program
510 coverage receive access to care and coverage equal to that of all other Massachusetts

511 participants. It shall do so by (1) paying for all services enumerated under Section 15 not covered
512 by the relevant federal plans; (2) paying for all such services during any federally mandated gaps
513 in participants' coverage; and (3) paying for any deductibles, co-payments, co-insurance, or
514 other cost sharing incurred by such participants.

515 Section 17. Establishment of the Health Care Trust Fund

516 (a) In order to support the Trust effectively, there is hereby established the health care
517 trust fund, hereinafter the Trust Fund, which shall be administered and expended by the
518 Executive Director of the Trust subject to the approval of the Board. The Trust Fund shall consist
519 of all revenue sources defined in Section 19, and all property and securities acquired by and
520 through the use of monies deposited to the Trust Fund and all interest thereon less payments
521 therefrom to meet liabilities incurred by the Trust in the exercise of its powers and the
522 performance of its duties.

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

525 Section 18. Purpose of the Trust Fund

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

527 (1) to pay eligible health care practitioners and health care facilities for covered services
528 rendered to eligible individuals;

529 (2) to fund capital expenditures for eligible health care practitioners and health care
530 facilities for approved capital investments in excess of a threshold amount to be determined
531 annually by the Executive Director;

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

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

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

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

543 (7) to fund a reserve account to finance anticipated long-term cost increases due to
544 demographic changes, inflation or other foreseeable trends that would increase Trust Fund
545 liabilities, and for budgetary shortfall, epidemics, and other extraordinary events, not to exceed
546 1% of Trust income in any fiscal year: provided, however, that the Trust reserve account shall at
547 no time constitute more than 5% of total Trust assets;

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

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

552 Section 19. Funding Sources

553 (a) The Trust shall be the repository for all health care funds and related administrative
554 funds. A fairly apportioned, dedicated health care tax on employers, workers, and residents will
555 replace spending on insurance premiums and out-of-pocket spending for services covered by the
556 Trust. The Trust shall enable the state to pass lower health care costs on to residents and
557 employers through savings from administrative simplification, negotiating prices, discounts on
558 pharmaceuticals and medical supplies, and through early detection and intervention by
559 universally available primary and preventive care. Additionally, collateral sources of revenue –
560 such as from the federal government, non-residents receiving care in the state, or from personal
561 liability – shall be recovered by the Trust. The Trust shall be funded by dedicated revenue
562 streams and its budget shall not affect other public health programs run by the state. Lastly, the
563 Trust shall enact provisions ensuring a smooth transition to a universal health care system for
564 employers and residents.

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

569 (1) An employer payroll tax of 7.5 percent will be assessed, exempting the first \$20,000
570 of payroll per establishment, replacing previous spending by employers on health premiums. An
571 additional employer payroll tax of 0.5% will be assessed on establishments with 100 or more
572 employees;

573 (2) An employee payroll tax of 2.5 percent will be assessed, exempting the first \$20,000
574 of income, replacing previous spending by employees on health premiums and out-of-pocket
575 expenses;

576 (3) A payroll tax on the self-employed of 10 percent will be assessed, exempting the first
577 \$20,000 of payroll per self-employed resident; and

578 (4) A tax on unearned income of 10 percent will be assessed on such income above
579 \$20,000. Social Security, SSI, SSDI, unemployment benefits and defined contribution and
580 defined benefit pension payments shall not be included in the unearned income to be taxed

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

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

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

589 (f) It is the intent of this act to establish a single public payer for all health care in the
590 Commonwealth. Towards this end, public spending on health insurance shall be consolidated
591 into the Trust to the greatest extent possible. Until such time as the role of all other payers for
592 health care has been terminated, health care costs shall be collected from collateral sources
593 whenever medical services provided to an individual are, or may be, covered services under a

594 policy of insurance, health care service plan, or other collateral source available to that
595 individual, or for which the individual has a right of action for compensation to the extent
596 permitted by law.

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

602 (h) The Trust shall receive all monies paid to the Commonwealth by the federal
603 government for health care services covered by the Trust. The Trust shall seek to maximize all
604 sources of federal financial support for health care services in Massachusetts. Accordingly, the
605 Executive Director shall seek all necessary waivers, exemptions, agreements, or legislation, if
606 needed, so that all current federal payments for health care shall, consistent with the federal law,
607 be paid directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or
608 legislation, the Executive Director shall seek from the federal government a contribution for
609 health care services in Massachusetts that shall not decrease in relation to the contribution to
610 other states as a result of the waivers, exemptions, agreements, or legislation.

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

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

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

615 (3) employee benefit contracts;

616 (4) government benefit programs;

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

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

620 (j) As used in this section, “collateral sources” does not include either of the following:

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

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

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

627 (l) Whenever an individual receives health care services under the system Trust and the
628 individual is entitled to coverage, reimbursement, indemnity, or other compensation from a
629 collateral source, the individual shall notify the health care practitioner or facility and provide
630 information identifying the collateral source other than federal sources, the nature and extent of
631 coverage or entitlement, and other relevant information. The health care practitioner or facility
632 shall forward this information to the Executive Director. The individual entitled to coverage,
633 reimbursement, indemnity, or other compensation from a collateral source shall provide
634 additional information as requested by the Executive Director.

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

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

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

647 (o) The Trust shall retain:

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

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

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

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

656 against premiums otherwise due in an amount equal to the Trust Fund premium due pursuant to
657 this section.

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

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

670 Section 20. Insurance Reforms

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

675 Section 21. Health Trust Regulatory Authority

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

680 Section 22. Implementation of the Health Care Trust

681 Not later than sixty days after enactment of this legislation, the Governor and Attorney
682 General shall make the initial appointments to the Board of the Massachusetts Health Care Trust
683 and coordinate with the Secretary of the Commonwealth to set the date for public elections of the
684 eight Trustees elected by the citizens of the Commonwealth within four months of the
685 appointments. The first meeting of the Board shall take place within 30 days of the election of
686 the Trustees.

687 The Board shall immediately begin the process of hiring an Executive Director of the
688 Trust, review enabling legislation, educating itself regarding general purposes, economics, and
689 authority of the Trust. The Board shall develop a budget for the first year of transition and
690 initiate the process of obtaining federal waivers and agreements concerning payments from
691 Medicare, Medicaid, and other public programs. The Board shall also set a general timeframe
692 for establishing the Trust with a launch date no less than one year and no more than 18 months
693 after the first meeting of the Board.

694 In the first phase of transition, the Executive Director shall begin hiring staff, establishing
695 the administrative and information technology infrastructure for the Trust, and negotiating
696 reimbursement lists for health care services, pharmaceuticals, and medical equipment. Health
697 care practitioners shall develop plans for transitioning to the Trust.

698 In the second phase of transition, the infrastructure of the Trust shall be established,
699 including Regional Offices to provide public education about the new system; training of health
700 care practitioners staff on systems for processing bills to the Trust; and introduction of
701 accounting regulations to employers for payment of payroll taxes. Private insurers shall complete
702 the transfer of cash reserves to the Trust. Residents of the Commonwealth shall receive health
703 care identification cards with an explanation of benefits and contact information for their
704 Regional office.

705 Funding for the establishment of the Trust during the transition period shall be provided
706 by the Legislature, supplemented by the reserve funds of private insurers.