

HOUSE No. 1239

The Commonwealth of Massachusetts

PRESENTED BY:

Lindsay N. Sabadosa and Denise C. Garlick

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

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

An Act establishing Medicare for all in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>1/18/2023</i>
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>	<i>1/18/2023</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>	<i>1/20/2023</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>1/20/2023</i>
<i>Samantha Montaño</i>	<i>15th Suffolk</i>	<i>1/23/2023</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>1/25/2023</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>1/26/2023</i>
<i>Susannah M. Whipps</i>	<i>2nd Franklin</i>	<i>1/27/2023</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>1/27/2023</i>
<i>Peter Capano</i>	<i>11th Essex</i>	<i>1/30/2023</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>1/30/2023</i>
<i>Carol A. Doherty</i>	<i>3rd Bristol</i>	<i>1/30/2023</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>1/31/2023</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>2/2/2023</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>2/7/2023</i>
<i>Smitty Pignatelli</i>	<i>3rd Berkshire</i>	<i>2/8/2023</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>2/8/2023</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>2/8/2023</i>

<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>2/9/2023</i>
<i>Erika Uyterhoeven</i>	<i>27th Middlesex</i>	<i>2/9/2023</i>
<i>Patrick Joseph Kearney</i>	<i>4th Plymouth</i>	<i>2/9/2023</i>
<i>Tricia Farley-Bouvier</i>	<i>2nd Berkshire</i>	<i>2/10/2023</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>	<i>2/10/2023</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>2/10/2023</i>
<i>Adrian C. Madaro</i>	<i>1st Suffolk</i>	<i>2/13/2023</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>2/14/2023</i>
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>	<i>2/15/2023</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>2/15/2023</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/16/2023</i>
<i>James C. Arena-DeRosa</i>	<i>8th Middlesex</i>	<i>2/18/2023</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/19/2023</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>2/23/2023</i>
<i>Daniel R. Carey</i>	<i>2nd Hampshire</i>	<i>2/24/2023</i>
<i>Kate Donaghue</i>	<i>19th Worcester</i>	<i>2/28/2023</i>
<i>Steven Owens</i>	<i>29th Middlesex</i>	<i>3/1/2023</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>3/1/2023</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>3/7/2023</i>
<i>Margaret R. Scarsdale</i>	<i>1st Middlesex</i>	<i>3/27/2023</i>
<i>Tommy Vitolo</i>	<i>15th Norfolk</i>	<i>3/30/2023</i>
<i>Orlando Ramos</i>	<i>9th Hampden</i>	<i>3/31/2023</i>
<i>Carlos González</i>	<i>10th Hampden</i>	<i>3/31/2023</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>5/3/2023</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Norfolk</i>	<i>5/4/2023</i>
<i>Shirley B. Arriaga</i>	<i>8th Hampden</i>	<i>5/8/2023</i>
<i>Rita A. Mendes</i>	<i>11th Plymouth</i>	<i>5/18/2023</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>6/15/2023</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>6/20/2023</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Worcester and Middlesex</i>	<i>7/7/2023</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>8/7/2023</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>8/21/2023</i>
<i>John Francis Moran</i>	<i>9th Suffolk</i>	<i>8/9/2023</i>
<i>Jennifer Balinsky Armini</i>	<i>8th Essex</i>	<i>9/10/2023</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>	<i>11/1/2023</i>
<i>Judith A. Garcia</i>	<i>11th Suffolk</i>	<i>11/8/2023</i>
<i>Kevin G. Honan</i>	<i>17th Suffolk</i>	<i>11/8/2023</i>
<i>Manny Cruz</i>	<i>7th Essex</i>	<i>12/8/2023</i>
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>12/19/2023</i>

<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>1/29/2024</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	<i>1/30/2024</i>
<i>Michael P. Kushmerek</i>	<i>3rd Worcester</i>	<i>1/31/2024</i>
<i>Estela A. Reyes</i>	<i>4th Essex</i>	<i>2/7/2024</i>

HOUSE No. 1239

By Representatives Sabadosa of Northampton and Garlick of Needham, a petition (accompanied by bill, House, No. 1239) of Lindsay N. Sabadosa, Denise C. Garlick and others for legislation to provide equitable access to quality, affordable healthcare services by establishing Medicare for all persons in the Commonwealth. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

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

9 “Health care”, care provided to a specific individual by a licensed health care
10 professional to promote physical and mental health, to treat illness and injury, and to prevent
11 illness and injury.

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

16 “Health care practitioner”, any professional person, medical group, independent practice
17 association, organization, health care facility, or other person or institution licensed or authorized
18 by law to provide professional health care services to an individual in the Commonwealth.

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

22 “Resident”, a person who lives in Massachusetts as evidenced by an intent to continue to
23 live in Massachusetts and to return to Massachusetts if temporarily absent, coupled with an act or
24 acts consistent with that intent. The Trust shall adopt standards and procedures for determining
25 whether a person is a resident. Such rules shall include: (1) a provision requiring that the person
26 seeking resident status has the burden of proof in such determination; (2) a provision that a
27 residence established for the purpose of seeking health care shall not by itself establish that a
28 person is a resident of the Commonwealth; and (3) a provision that, for the purposes of this
29 chapter, the terms “domicile” and “dwelling place” are not limited to any particular structure or

30 interest in real property and specifically include homeless individuals, individuals incarcerated in
31 Massachusetts, and undocumented individuals.

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

33 “Trust”, the Massachusetts Health Care Trust.

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

35 Section 2. Policy and Goals

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

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

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

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

53 It is hereby further declared that in pursuit of universal access to quality, affordable care,
54 the Commonwealth supports the following goals:

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

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

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

63 (d) to control costs as a key component of a sustainable health care system that will
64 reduce health care costs for residents, municipalities, counties, businesses, health care facilities,
65 and the Commonwealth.

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

69 (f) to reduce administrative cost and inefficiencies and use savings to: (i) expand covered
70 health care services; (ii) contain health care cost increases; (iii) create practitioner incentives to

71 innovate and compete by improving health care service quality and delivery to patients; and (iv)
72 expand preventive health care programs and the delivery of primary care.

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

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

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

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

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

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

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

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

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

92 Section 3. Establishment of the Massachusetts Health Care Trust

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

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

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

110 (d) All officers and employees of the Trust having access to its cash or negotiable
111 securities shall give bond to the Trust at its expense, in such amount and with such surety as the

112 Board of Trustees shall prescribe. The persons required to give bond may be included in one or
113 more blanket or scheduled bonds.

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

120 Section 4: Powers of the Trust

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

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

124 (2) to adopt an official seal;

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

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

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

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

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

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

137 (9) to establish advisory boards;

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

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

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

150 include the identity of the donor, lender, the nature of the transaction and any condition attaching
151 thereto;

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

154 Section 5. Board of Trustees: Composition, Powers, and Duties

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

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

158 (2) eight Trustees appointed by the Governor, three of whom shall be nominated by
159 organizations of health care professionals who deliver direct patient care, one of whom shall be
160 nominated by a statewide organization of health care facilities, one of whom shall be nominated
161 by an organization representing non-health care employers, one of whom shall be nominated by
162 a disability rights organization, one of whom shall be nominated by an organization advocating
163 for mental health care, and one of whom shall be a health care economist;

164 (3) ten Trustees appointed by the Attorney General, two of whom shall be nominated by a
165 statewide labor organization, two of whom shall be nominated by statewide organizations who
166 have a record of advocating for universal single payer health care in Massachusetts, one of whom
167 shall be nominated by an organization representing Massachusetts senior citizens, one of whom
168 shall be nominated by a statewide organization defending the rights of children, one of whom
169 shall be nominated by an organization providing legal services to low-income clients, one of
170 whom shall be an epidemiologist, one of whom shall be an expert in racial disparities in health

171 care nominated by a statewide public health organization, and one of whom shall be an expert in
172 women's health care nominated by a statewide public health organization;

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

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

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

184 (c) Each appointed Trustee shall serve a term of five years; provided, however, that
185 initially six appointed Trustees shall serve three-year terms, six appointed Trustees shall serve
186 four-year terms, and six appointed Trustees shall serve five-year terms. The initial appointed
187 Trustees shall be assigned to a three-, four-, or five- year term by lot. Any person appointed to
188 fill a vacancy on the Board shall serve for the unexpired term of the predecessor Trustee. Any
189 appointed Trustee shall be eligible for reappointment to a second term only. Any appointed
190 Trustee may be removed from the Trustee's appointment by the Governor or Attorney General,
191 respectively, for just cause.

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

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

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

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

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

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

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

217 Section 6. Executive Director; Purpose and Duties

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

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

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

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

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

247 Section 7. Regional Division: Director, Offices, Purposes, and Duties

248 (a) There shall be a regional division within the Trust which shall be under the
249 supervision and control of a director. The powers and duties given the director in this chapter and
250 in any other general or special law shall be exercised and discharged subject to the control and
251 supervision of the Executive Director of the Trust. The director of the regional division shall be
252 appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and
253 may, with like approval, be removed. The director shall establish a professional advisory
254 committee to provide expert advice: provided, however, that such committee shall have at least
255 25% representation from the general public.

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

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

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

273 Section 8. Administrative Division: Director, Purpose, and Duties

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

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

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

290 Section 9. Planning Division: Director, Purpose, and Duties

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

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

301 The responsibilities shall include but are not limited to:

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

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

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

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

318 Section 10. Information Technology Division: Director, Purpose, and Duties

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

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

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

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

341 Section 11. Quality Assurance Division: Director, Purpose, and Duties

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

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

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

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

369 Section 12. Eligible Participants

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

372 (1) all Massachusetts residents, as defined in Section 1;

373 (2) all non-residents who:

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

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

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

377 (3) All non-resident patients requiring emergency treatment for illness or injury:

378 provided, however, that the Trust shall recoup expenses for such patients wherever possible.

379 (b) Payment for emergency care of Massachusetts residents obtained out of state shall be
380 at prevailing local rates. Payment for non-emergency care of Massachusetts residents obtained
381 out of state shall be according to rates and conditions established by the Executive Director. The
382 Executive Director may require that a resident be transported back to Massachusetts when
383 prolonged treatment of an emergency condition is necessary if transportation is safe for the
384 patient in light of the patient's medical condition.

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

388 Section 13. Eligible Health Care Practitioners and Facilities

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

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

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

394 (3) furnishes a signed agreement that:

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

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

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

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

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

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

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

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

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

411 (1) an operating budget;

412 (2) a capital expenditures budget; and

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

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

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

419 (2) global budgets for institutional practitioners;

420 (3) capitation payments for capitated groups; and

421 (4) administration of the Trust.

422 (c) Payments for operating expenses shall not be used to finance capital expenditures;
423 payment of exorbitant salaries; or for activities to assist, promote, deter, or discourage union
424 organizing. Any prospective payments made in excess of actual costs for covered services shall
425 be returned to the Trust. Prospective payment rates and schedules shall be adjusted annually to
426 incorporate retrospective adjustments. Except as provided in Section 15 of this chapter,
427 reimbursement for covered services by the Trust shall constitute full payment for the services
428 rendered.

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

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

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

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

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

439 (2) major equipment purchases.

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

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

448 Section 15. Covered Benefits

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

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

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

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

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

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

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

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

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

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

469 (6) substance misuse services, including supportive residences and ongoing outpatient
470 service;

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

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

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

476 (10) hospice care;

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

479 (12) emergency and other medically necessary transportation;

480 (13) the full scale of dental services, other than cosmetic dentistry;

481 (14) basic vision care and correction, including glasses, other than laser vision correction
482 for cosmetic purposes;

483 (15) hearing evaluation and treatment including hearing aids;

484 (16) prescription drugs;

485 (17) durable and non-durable medical equipment, supplies, and appliances, including
486 complex rehabilitation technology products and services as medically necessary, individually-
487 configured manual and power wheelchair systems, adaptive seating systems, alternative
488 positioning systems, and other mobility devices that require evaluation, fitting, configuration,
489 adjustment, or programming; and

490 (18) all new emerging technologies irrespective of where the parent company is located,
491 such as telemedicine and telehealth practitioners.

492 (19) infection by the virus that causes COVID-19 and any long-term effects, known as
493 post-COVID conditions (PCC) or Long COVID.

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

497 Section 16. Wraparound Coverage for Federal Health Programs

498 (a) Prior to obtaining any federal program's waivers to receive federal funds through the
499 Health Care Trust, the Trust shall seek to ensure that participants eligible for federal program
500 coverage receive access to care and coverage equal to that of all other Massachusetts
501 participants. It shall do so by (1) paying for all services enumerated under Section 15 not covered

502 by the relevant federal plans; (2) paying for all such services during any federally mandated gaps
503 in participants' coverage; and (3) paying for any deductibles, co-payments, co-insurance, or
504 other cost sharing incurred by such participants.

505 Section 17. Establishment of the Health Care Trust Fund

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

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

515 Section 18. Purpose of the Trust Fund

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

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

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

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

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

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

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

533 (7) to fund a reserve account to finance anticipated long-term cost increases due to
534 demographic changes, inflation, or other foreseeable trends that would increase Trust Fund
535 liabilities, and for budgetary shortfall, epidemics, and other extraordinary events, not to exceed
536 1% of Trust income in any fiscal year: provided, however, that the Trust reserve account shall at
537 no time constitute more than 5% of total Trust assets;

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

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

542 Section 19. Funding Sources

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

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

559 (1) An employer payroll tax of 7.5 percent will be assessed on employee W-2 wages,
560 exempting the first \$20,000 of payroll per establishment, replacing previous spending by
561 employers on health premiums. An additional employer payroll tax of 0.5 per cent will be
562 assessed on establishments with 100 or more employees;

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

565 expenses; all W-2 wages will be combined for each taxpayer and one \$20,000 exemption will be
566 allowed;

567 (3) A 10 percent payroll tax on the self-employed, including general partnership income
568 and other income subject to self-employment tax for Federal purposes, will be assessed,
569 exempting the first \$20,000 of payroll per self-employed taxpayer; income from all sources
570 subject to tax in this section shall be combined and allowed one \$20,000 exemption per taxpayer;
571 and

572 (4) For the purposes of sections (2) and (3) above, each taxpayer will combine all income
573 reported on from IRS Form W-2s and self-employment income and be allowed one \$20,000
574 exemption. The exemption will apply first to W-2 income and then to self-employment income.

575 (5) A 10 percent tax on taxable unearned income and all other income not specifically
576 excluded will be assessed on such income above \$20,000. Exclusions not taxed: Social Security,
577 Supplemental Security Income (SSI), Social Security Disability Income (SSDI), unemployment
578 benefits, workers compensation benefits, sick pay, paid family and medical leave, capital gains
579 resulting from the sale of owner-occupied two- or three-family rental property, and defined
580 contribution and defined benefit pension payments. Capital gains from the portion attributed to a
581 primary residence in excess of the exclusion allowed by Massachusetts law will be subject to the
582 tax. The \$20,000 exemption for this section shall be applied to each individual taxpayer.

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

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

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

591 (f) It is the intent of this act to establish a single public payer for all health care in the
592 Commonwealth. Towards this end, public spending on health insurance shall be consolidated
593 into the Trust to the greatest extent possible. Until such time as the role of all other payers for
594 health care has been terminated, health care costs shall be collected from collateral sources
595 whenever medical services provided to an individual are, or may be, covered services under a
596 policy of insurance, health care service plan, or other collateral source available to that
597 individual, or for which the individual has a right of action for compensation to the extent
598 permitted by law.

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

604 (h) The Trust shall receive all monies paid to the Commonwealth by the federal
605 government for health care services covered by the Trust. The Trust shall seek to maximize all
606 sources of federal financial support for health care services in Massachusetts. Accordingly, the
607 Executive Director shall seek all necessary waivers, exemptions, agreements, or legislation, if

608 needed, so that all current federal payments for health care shall, consistent with the federal law,
609 be paid directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or
610 legislation, the Executive Director shall seek from the federal government a contribution for
611 health care services in Massachusetts that shall not decrease in relation to the contribution to
612 other states as a result of the waivers, exemptions, agreements, or legislation.

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

614 (1) insurance policies written by insurers, including the medical components of
615 automobile, homeowners, workers’ compensation, and other forms of insurance;

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

617 (3) employee benefit contracts;

618 (4) government benefit programs;

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

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

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

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

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

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

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

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

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

645 (o) To the extent permitted by federal law, contractual retiree health benefits provided by
646 employers shall be subject to the same subrogation as other contracts, allowing the Trust to

647 recover the cost of services provided to individuals covered by the retiree benefits, unless and
648 until arrangements are made to transfer the revenues of the benefits directly to the Trust.

649 (p) The Trust shall retain:

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

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

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

655 (q) Any employer who has a contract with an insurer, health services corporation, or
656 health maintenance organization to provide health care services or benefits for its employees,
657 which is in effect on the effective date of this section, shall be entitled to an income tax credit
658 against premiums otherwise due in an amount equal to the Trust Fund tax due pursuant to this
659 section.

660 (r) Any insurer, self-insured employers, union health and welfare fund, health services
661 corporation, or health maintenance organization which provides health care services or benefits
662 under a contract with an employer or group of employers, which is in effect on the effective date
663 of this act, shall pay to the Trust Fund an amount equal to the Health Care Trust employer
664 payroll tax based on the number of employees of each employer.

665 (s) Six months prior to the establishment of the Health Care Trust, all laws and
666 regulations requiring health insurance carriers to maintain cash reserves for purposes of
667 commercial stability (such as under Chapter 176G, Section 25 of the General Laws) shall be

668 repealed. In their place, the Executive Director of the Trust shall assess an annual health care
669 stabilization fee upon the same carriers, amounting to the same sum previously required to be
670 held in reserves, which shall be credited to the Health Care Trust Fund.

671 Section 20. Insurance Reforms

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

676 Section 21. Health Care Trust Regulatory Authority

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

681 Section 22. Implementation of the Health Care Trust

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

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

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

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

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