

**SENATE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Michael F. Rush***

*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 authorizing the University of Massachusetts Building Authority to purchase, construct, and operate a hospital in the town of Norwood.

PETITION OF:

NAME:

*Michael F. Rush*

DISTRICT/ADDRESS:

*Norfolk and Suffolk*

**SENATE . . . . . No.**

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By Mr. Rush, a petition (accompanied by bill) (subject to Joint Rule 12) of Michael F. Rush for legislation to authorize the University of Massachusetts Building Authority to purchase, construct, and operate a hospital in the town of Norwood. State Administration and Regulatory Oversight.

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**The Commonwealth of Massachusetts**

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

An Act authorizing the University of Massachusetts Building Authority to purchase, construct, and operate a hospital in the town of Norwood.

*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to authorize the purchase, construction, and operation of a hospital in the town of Norwood by the University of Massachusetts Building Authority, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public health.

*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. Section 1 of chapter 75 of the General Laws, as appearing in the 2022  
2 Official Edition, is hereby amended by inserting after the word “Lowell”, in line 3, the following  
3 word:- , Norwood

4           SECTION 2. Section 34 of said chapter 75, as so appearing, is hereby amended by  
5 inserting after the words “medical school”, in line 2, the following words:- with campuses in  
6 Worcester and Norwood.

7           SECTION 3. As used in sections 4 through 10, inclusive, the following words shall,  
8 unless the context otherwise requires, have the following meanings:

9           “Authority”, the University of Massachusetts building authority, established in chapter  
10 773 of the acts of 1960.

11           "Chancellor", the chief executive officer of the UMass Memorial Health- Norwood  
12 Hospital as appointed by the authority of the trustees.

13           "Clinical division", the clinical components of the UMass Memorial Health- Norwood  
14 Hospital, including the University of Massachusetts medical school teaching hospital, the  
15 University of Massachusetts medical school group practice and ancillary support and operating  
16 services.

17           “Corporation”, any one or more corporations established under chapter 180 of the  
18 General Laws, of which the parent corporation known as UMass Memorial Health Care, Inc., to  
19 which the trustees transfer or otherwise make available for use the operations and certain assets,  
20 liabilities and obligations of the clinical division, and any subsidiaries or affiliates of said  
21 corporations; provided however, that with respect to transfer of the assets and liabilities of the  
22 clinical division's Malpractice Insurance Trust Fund or Self Insurance Trust Fund, a corporation  
23 shall include one or more corporations or other entities established under other chapters of the  
24 General Laws or the laws of any other jurisdiction or country.

25           "Medical school", University of Massachusetts Medical School established under Section  
26 34 of the Chapter 75 of the General Laws

27           "Medical School Teaching Hospital Trust Fund", the trust fund established by the trustees  
28 for operation of the teaching hospital pursuant to section 11 of chapter 75 of the General Laws  
29 and item 7411-1006 of section 2 of chapter 363A of the acts of 1977.

30 "UMass Memorial Health Care, Inc.", a nonprofit corporation organized and existing  
31 under the laws of the commonwealth.

32 "Parent corporation", the corporation organized and established under chapter 180 of the  
33 General Laws, to be initially known as UMass Memorial Health Care, Inc., which is the sole  
34 member of or otherwise controls all other corporations to which the trustees transfer or otherwise  
35 make available for use the operations, and certain assets, liabilities and obligations of the clinical  
36 division, and which shall have the authority, pursuant to section 8A of said chapter 180, to  
37 approve the sale or other disposition of all or substantially all of the property and assets of each  
38 corporation of which it serves as the sole member.

39 "Teaching hospital", the University of Massachusetts medical school teaching hospital  
40 provided for by item 8070-10 of section 2 of chapter 138 of the acts of 1969.

41 "Trustees", the board of trustees of the University of Massachusetts established pursuant  
42 to section 1A of chapter 75 of the General Laws.

43 "University", the University of Massachusetts established in section 1 of chapter 75 of the  
44 General Laws.

45 SECTION 4. The authority is hereby authorized to, for the purpose of constructing and  
46 operating a medical facility to be named "UMass Memorial Health- Norwood Hospital", either  
47 enter into a purchase agreement with MPT of Norwood-Steward, LLC for fair market value or  
48 take by eminent domain pursuant to the General Laws the real property, including all buildings  
49 and appurtenances thereon, located at 800 Washington street in the town of Norwood.

50 SECTION 5. Pursuant to section 7 of chapter 773 of the acts of 1960, the authority may  
51 provide by resolution for the issuance of bonds of the authority for the purpose of paying all or  
52 any part of the purchase costs, construction costs incurred through lease-purchase agreement, or  
53 operating costs of UMass Memorial Health-Norwood Hospital located at 800 Washington street  
54 in the town of Norwood.

55 SECTION 6. (a) Notwithstanding the provisions of any general or special law to the  
56 contrary, the trustees may transfer to one or more nonprofit corporations the management and  
57 control of all operations of the clinical division and ownership or use of all properties and assets  
58 of the clinical division as the trustees deem necessary for the operation of the clinical division  
59 including: all tangible personal property, such as equipment, inventories, supplies, medical  
60 records, furniture, automobiles and helicopters; all accounts receivable, notes receivable, cash,  
61 cash equivalents, securities, prepaid expenses and other current assets including assets held in the  
62 Medical School Teaching Hospital Trust Fund, assets held in the Self Insurance Trust Fund and  
63 assets of the group practice; all pledges received for clinical operations; all rights with respect to  
64 leases and subleases, governmental and administrative licenses, permits, authorizations, orders,  
65 registrations, certificates, variances, approvals, consents, and franchises used or useful in  
66 connection with the operation of the clinical division; all patient lists; all rights under any  
67 contracts relating to the operation of the clinical division; all business and financial records,  
68 books and materials; all rights to insurance policies; all claims and other causes of action, and  
69 including all assets conveyed or transferred in accordance with the agreements referred to in  
70 subsection (b). If the trustees transfer all or substantially all of the assets and operations of the  
71 teaching hospital to a corporation, the corporation shall remain nonprofit permanently and shall  
72 not sell or dispose of any assets or operations transferred from the teaching hospital to a for-

73 profit entity in a transaction that would require notice to the attorney general within the meaning  
74 of subsection (c) of section 8A of chapter 180 of the General Laws, governing the disposition of  
75 the corporate property and assets of a public charity. The trustees may lease or otherwise contract  
76 for the use and occupancy for a period of 99 years certain real property and facilities including  
77 those currently occupied and used by the clinical division of UMass Memorial Health- Norwood  
78 Hospital Corporation to one or more corporations under such terms and conditions as the trustees  
79 may determine from time to time to be in the best interests of the university. Any corporation  
80 that obtains pursuant to this section any lease or other contract for the use and occupancy of any  
81 real property owned by the Authority under the control of the university shall be deemed to be an  
82 entity the activities of which have been approved by the trustees as furthering the purposes of the  
83 university for the purposes of section 3 of chapter 773 of the acts of 1960 for so long as such  
84 lease or other contract remains in effect. The trustees may take any and all actions necessary on  
85 behalf of the university as sole member of the UMass Memorial Health- Norwood Hospital  
86 Corporation to permit said entity to transfer substantially all of its assets, including without  
87 limitation real property owned by the UMass Memorial Health- Norwood Hospital Corporation  
88 in its corporate name and as trustee, liabilities and membership rights and interests in its  
89 subsidiaries and affiliates to one or more corporations and the trustees are may transfer funds  
90 from the clinical division to the UMass Memorial Health-Norwood Hospital Corporation as said  
91 trustees deem necessary to support the academic and research mission of the university.

92 (b) The trustees may enter into agreements with Memorial Health Care, Inc. and the  
93 UMass Memorial Health-Norwood Hospital Corporation, in form and substance mutually  
94 agreeable to the parties thereto as the same may be amended from time to time, pursuant to  
95 which one or more of the corporations may merge or consolidate with Memorial Health Care,

96 Inc. and one or more of its subsidiaries, and the UMass Memorial Health- Norwood Hospital  
97 Corporation and certain subsidiaries and affiliates of the UMass Memorial Health- Norwood  
98 Hospital Corporation may transfer their assets to or become controlled by one or more of the  
99 corporations. Upon the occurrence of the transfer authorized in subsection (a) or the merger or  
100 consolidation authorized by this subsection, the surviving or resulting corporation or  
101 corporations shall have all of the rights, powers and authorities of a corporation established  
102 pursuant to chapter 180 of the General Laws and shall not be deemed to be an agency,  
103 commission, authority or other subdivision of the commonwealth or instrumentality of any of the  
104 foregoing for any purpose. The trustees shall transfer the assets pursuant to the authorization in  
105 subsection (a) only for the purpose of fulfilling the obligations of an agreement or agreements  
106 with Memorial Health Care, Inc. to merge or consolidate as authorized in this subsection. In the  
107 event that the trustees transfer all or substantially all of the assets and operations of the teaching  
108 hospital to a corporation and enter into an agreement or agreements with Memorial Health Care,  
109 Inc. to merge or consolidate with such corporation pursuant to this subsection, the transfer and  
110 agreements shall be to and with a corporation that: (1) for 10 years following the effective date  
111 of this act, shall not, without prior legislative approval, merge or consolidate with another  
112 nonprofit entity if as of the date of said merger or consolidation, the merger or consolidation  
113 would result in 50 per cent or more of the corporation's or its successor's board consisting of  
114 individuals other than those who were trustees of the corporation immediately prior to the merger  
115 or consolidation; and (2) shall not merge or consolidate with another nonprofit entity unless such  
116 entity agrees that it will continue to operate an acute care hospital in the town of Norwood  
117 through the corporation to which the trustees transfer the assets and operations of the teaching  
118 hospital pursuant to the authorization in subsection (a) or through its successor so long as such

119 other nonprofit entity operates any acute care hospital in Norfolk county. Following the effective  
120 date of this act, no officer, trustee or employee of the parent corporation, or of the hospital  
121 subsidiary of the parent corporation to which the assets and ownership of the teaching hospital  
122 are transferred, shall acquire an equity ownership interest, other than in a nominee capacity, in  
123 any for-profit subsidiary or affiliate of the parent corporation. Any such agreements and other  
124 transactions authorized by this act shall not be considered to be or constitute an agreement or  
125 combination or series of agreements to provide services which are similar to or in lieu of services  
126 provided in whole or part by regular employees of the university. The trustees may include in  
127 any written agreement with Memorial Health Care, Inc., the UMass Memorial Health- Norwood  
128 Hospital Corporation or any corporation in furtherance of the transfer or merger or consolidation  
129 a dispute resolution process culminating in final and binding arbitration to be invoked in the  
130 event of any dispute concerning interpretation or application of any such agreement.

131 (c) The governing body of the parent corporation shall be a board of trustees, in this  
132 subsection called the board. For a period of four years after the transfer of certain assets of the  
133 clinical division to one or more of the corporations, the board shall consist of 10 members  
134 appointed by the university and 10 members appointed by Memorial Health Care, Inc. In the  
135 event that any of the individuals initially appointed to the board shall die, resign or be removed  
136 from office during the initial 4-year term, successors shall be appointed by the remaining trustees  
137 initially appointed by Memorial Health Care, Inc. or by the remaining trustees initially appointed  
138 by the university, as the case may be. The composition of the board may be increased to not  
139 more than 23 members during the initial 4 year term, by a two-thirds vote of the trustees then in  
140 office; provided, however, that the board shall include an equal number of Memorial Health  
141 Care, Inc. affiliated trustees and university affiliated trustees during such initial 4 year term.



142 After the expiration of the initial 4 year term, the board may be increased or decreased by  
143 majority vote of the board but shall include the chancellor and 4 additional trustees appointed by  
144 the chancellor with the approval of the president of the university; provided, however, that in no  
145 event shall the total number of trustees selected by the chancellor and including the chancellor be  
146 less than five-nineteenths of the voting membership of the board. One or more of the  
147 corporations shall: (i) make an annual payment to the trustees in support of the medical school  
148 that, in the determination of the trustees, includes reasonable compensation to the medical school  
149 for the cost of services and support it contributes to the delivery of medical care by the  
150 corporation's teaching hospitals; and (ii) assume the university's outstanding debt obligation on  
151 facilities and equipment transferred to or otherwise used or occupied by one or more  
152 corporations under this section. All payments made by one or more corporations to the university  
153 shall be deposited by the trustees in a trust for the operations of the medical school with said trust  
154 to be established and managed by the trustees pursuant to section 11 of chapter 75 of the General  
155 Laws.

156 (d) Upon the occurrence of the transfer, merger or consolidation authorized by this  
157 section, the parent corporation shall include as part of its corporate purposes or mission the  
158 promotion and support of the medical school and a recognition of the importance of being part of  
159 an outstanding scientific and educational community and of providing high quality education and  
160 training to the commonwealth's future physicians, nurses and allied health professionals, and  
161 such part of its corporate purposes or mission shall not be amended without prior legislative  
162 approval. The medical school and the corporations shall develop complementary academic and  
163 clinical strategies that are linked through joint investments in academic and clinical programs  
164 designed to foster a cooperative and team-oriented approach; the medical school and the

165 corporations shall inform and consult with each other on major changes in the mission or  
166 operations of either, and the medical school and the corporations shall establish a senior  
167 management group to review issues of common concern and the chancellor and the chief  
168 executive officer of the parent corporation shall consult and use their best efforts to reach  
169 mutually acceptable decisions in such areas. One or more corporations shall serve as the primary  
170 teaching hospital and training site for the medical school. To the extent contained in the  
171 agreements referenced in subsection (b), the faculty of the medical school shall serve as the  
172 primary source of the clinical staff of the corporations and the same individuals shall serve as the  
173 academic and clinical department chairs. To the extent contained in the agreements referenced in  
174 said subsection (b), all research activities of the corporations shall be managed by the medical  
175 school, and the corporations shall work with the medical school to provide necessary clinical and  
176 support services for the medical school's contracts with other state agencies and departments.

177 (e) In connection with the transfer or merger or consolidation authorized by subsections  
178 (a) and (b), one or more corporations pursuant to and to the extent contained in the agreements  
179 authorized by subsection (b) shall indemnify, defend and hold harmless the university, and its  
180 trustees, officers and employees against and in respect of all liabilities, obligations, judgments,  
181 liens, injunctions, charges, orders, decrees, rulings, damages, dues, assessments, taxes, losses,  
182 fines, penalties, damages, expenses, fees, costs or amounts paid in settlement, including  
183 reasonable attorneys' and expert witness fees and disbursements in connection with investigation,  
184 defending or settling any action or threatened action, arising out of any claim, complaint,  
185 demand, cause of action, audit, investigation, hearing, action, suit or other proceeding asserted or  
186 initiated in respect of any matter resulting from any contract, agreement, employment matter and

187 all other existing or future liabilities of the university arising out of or resulting from the  
188 operation of the clinical division.

189 (f) In connection with the transfer or merger or consolidation authorized by subsections  
190 (a) and (b), the medical school, pursuant to and to the extent contained in the agreements  
191 authorized by said subsection (b), shall indemnify and hold harmless the parent corporation, its  
192 trustees, officers and employees against environmental liabilities and costs to the extent arising  
193 out of any condition existing on UMass Memorial Health- Norwood Hospital at or prior to the  
194 said transfer or merger or consolidation that constitutes a violation of, or gives rise to a duty to  
195 remediate under, environmental laws without limit in time, knowledge or amount, excluding  
196 environmental liabilities and costs relating to the existence of asbestos, polychlorinated  
197 biphenyls or other chemical substances within buildings, structures or self-contained units above  
198 ground that are not leaking, such as transformers; provided, however, that claims for personal  
199 injuries based in tort shall be excluded from the definition of environmental liabilities and costs.  
200 Payment of the environmental indemnification obligation described herein shall be by law in the  
201 form of a special appropriation. In the absence of such special appropriation within 12 months,  
202 the medical school is hereby authorized to make such payment but such obligation shall be  
203 limited solely to such amounts as constitute funds of the medical school other than grants, donor  
204 restricted funds or funds received from general appropriations.

205 (g) Notwithstanding any general or special law or regulations promulgated thereunder to  
206 the contrary, this act shall constitute a determination of need for purposes of licensure and  
207 change of ownership as well as a determination of suitability for change of ownership and also  
208 shall constitute approval of all transfers of ownership of any unimplemented determinations of  
209 need, pursuant to sections 25C, 51, 71 and any other relevant sections of chapter 111 of the

210 General Laws or other provisions of the General Laws, and regulations promulgated thereunder,  
211 as may be required with respect to the need for, the change of ownership, licensure, operations or  
212 other approval relating to any corporation and its hospitals, clinics, health centers, laboratories,  
213 nursing homes, substance abuse treatment facilities and other facilities that result from any  
214 transfer or merger or consolidation authorized by subsections (a) and (b), including the  
215 corporations and hospitals resulting from said transfer or merger or consolidation, and the  
216 changes in ownership or control, directly or indirectly, of any subsidiary or affiliate of UMass  
217 Memorial Health- Norwood Hospital Corporation, including UMass Memorial Health-  
218 Marlborough Hospital, and UMass Memorial HealthAlliance- Clinton Hospital, Inc., and upon  
219 application by any corporation or by its subsidiaries or affiliates the department of public health  
220 and the department of mental health shall issue to such corporation or any such subsidiaries or  
221 affiliates a license or other certificate or approval as may be necessary or appropriate for it to  
222 establish, maintain, and operate such hospitals, clinics, health centers, laboratories, nursing  
223 homes, substance abuse treatment facilities and other facilities as had been maintained, operated,  
224 or owned by the clinical division, Memorial Health Care, Inc., UMass Memorial Health-  
225 Norwood Hospital Corporation or any of their respective subsidiaries or affiliates prior to the  
226 transfer or merger or consolidation. The department of public health and the appropriate  
227 corporations shall enter into an agreement with respect to the continuation of the provision of  
228 uncompensated care.

229 SECTION 7. Neither the university nor a corporation shall interfere with, restrain or  
230 coerce any employees in the exercise of their rights to self-organization, to form, join or assist  
231 any employee organization for the purpose of bargaining collectively through representatives of  
232 their own choosing on questions of wages, hours and other terms and conditions of employment,

233 and to engage in lawful, concerted activities for the purpose of collective bargaining or other  
234 mutual aid or protection, nor discriminate against any employees in regard to hiring, tenure or  
235 any term or condition of employment to encourage or discourage membership in any employee  
236 organization. All registered nurses employed by the university within the clinical division who  
237 are represented by the Massachusetts Nurses Association in accordance with said section 4 of  
238 said chapter 150E of the General Laws on the effective date of the transfer or merger or  
239 consolidation authorized by section 6 shall either be employees of the university whose services  
240 are provided to a corporation pursuant to an agreement between the university and the  
241 corporation or be offered employment by a corporation, in either case within the same position  
242 and at the same campus or location as immediately prior to said effective date. Such registered  
243 nurses who continue to be employed by the university shall continue to be represented by the  
244 Massachusetts Nurses Association within the same bargaining unit or units existing immediately  
245 prior to said effective date, whether or not the services of such registered nurses are leased or  
246 otherwise provided by the university to a corporation. An employee organization recognized  
247 under said chapter 150E representing a unit of employees employed by the university within the  
248 clinical division who, after the effective date of this act, become employees of a corporation at a  
249 campus or location where such employees have previously been providing services as employees  
250 of the university, shall be recognized by such corporation as the exclusive bargaining  
251 representative with respect to such employees, and the corporation shall negotiate in good faith  
252 with such employee organization concerning wages, hours and other terms and conditions of  
253 employment, including the benefits to be established pursuant to the first paragraph of this  
254 section. Registered nurses whose services are provided by the university to a corporation shall  
255 not be laid off pursuant to a reduction in force for the purpose of replacing such employees with

256 employees of the corporation. A corporation shall recognize the Massachusetts Nurses  
257 Association as the exclusive bargaining representative of those registered nurses who were  
258 employed by the clinical division and who, after the effective date of this act, become employees  
259 of such corporation at a campus or location where employees have previously been providing  
260 services as employees of the university, and shall be bound by terms of the agreement between  
261 the university and the association; provided, however, that, with respect to benefits provided  
262 under said agreement the terms of which are determined by statute for or are available only to,  
263 public employees as defined in section 1 of said chapter 150E, such corporation shall negotiate  
264 with said association to provide benefits to said employees which are comparable, in the  
265 aggregate, thereto. If the parties fail to reach agreement concerning the comparability of said  
266 benefits, or the aggregate pension or group health insurance benefits provided to said employees  
267 under this subsection, to the benefits previously received by them, such disagreement shall be  
268 submitted to arbitration under the arbitration procedures provided in said agreement. A  
269 corporation and the Massachusetts Nurses Association may agree to negotiate future collective  
270 bargaining agreements for the corporation's registered nurses at the same time and in conjunction  
271 with the negotiations conducted by the university for future collective bargaining agreements  
272 with said association with respect to bargaining units in which registered nurses whose services  
273 are leased or otherwise provided to the corporation by the university and registered nurses  
274 employed by the corporation are performing the same work at the same campus or other location  
275 or locations, and are represented by the association.

276 SECTION 8. (a) The trustees may establish policies governing contracts for goods and  
277 services between the university and the corporations and such contracts shall be exempt from all

278 state and local laws, rules, regulations, ordinances or bylaws requiring competitive bidding,  
279 including sections 29A to 29D, inclusive, of chapter 29 of the General Laws.

280 (b) Any lease, transfer or other agreement related to real property between the university  
281 and one or more corporations and any design, engineering, construction, reconstruction,  
282 renovation, repair or improvement undertaken by one or more corporations or the university on  
283 any property under the control of the university or at the UMass Memorial Health-Norwood  
284 Hospital Corporation or on any other property under the control of the university and used or  
285 occupied by one or more of the corporations shall be exempt from the provisions of chapter 7C  
286 of the General Laws, sections 44A to 44J, inclusive, of chapter 149 of the General Laws, section  
287 39M of chapter 30 of the General Laws or any other general or special law or regulation relating  
288 to the advertising, bidding, award or enforcement of design, construction, reconstruction,  
289 renovation, repair or improvement of public property, or of contracts relating thereto, to the  
290 extent applicable, but shall be subject to sections 26 and 27 of said chapter 149.

291 (c) The university and all other agencies and officers of the commonwealth are hereby  
292 authorized and directed to take such actions as may be necessary or desirable in the judgment of  
293 the university to effect the transactions authorized by this act, the transition of assets and  
294 employees, and the purposes of this act.

295 SECTION 9. (a) In authorizing the transfer or merger or consolidation authorized in  
296 section 5 for the benefit of the people of the commonwealth, and in full recognition of the  
297 implications thereof, it is declared to be the intent of this act to supersede the application to said  
298 transaction of all federal competition laws, including sections 1 to 8, inclusive, sections 12 to 27,  
299 inclusive, and sections 41 to 58, inclusive, of title 15 of the United States Code, and to preempt

300 the application to said transaction of all competition laws of the commonwealth, including  
301 chapters 93 and 93A of the General Laws.

302 (b) The medical school is hereby authorized to provide hospital and other services either  
303 directly or indirectly through contracts or other arrangements with other providers, including, but  
304 not limited to, the provision of hospital services to Medicaid-eligible persons and to other low  
305 income persons and uninsured persons pursuant to both a provider agreement between the  
306 medical school and the division of medical assistance or such other agency as may be  
307 responsible for the Medicaid program and the commonwealth's programs for providing health  
308 care services to low income and uninsured persons and a subprovider agreement between the  
309 medical school and one or more corporations.