

HOUSE No. 1405

The Commonwealth of Massachusetts

PRESENTED BY:

Lindsay N. Sabadosa and Margaret R. Scarsdale

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>1/14/2025</i>
<i>Margaret R. Scarsdale</i>	<i>1st Middlesex</i>	<i>1/14/2025</i>
<i>James C. Arena-DeRosa</i>	<i>8th Middlesex</i>	<i>2/11/2025</i>
<i>Shirley B. Arriaga</i>	<i>8th Hampden</i>	<i>6/13/2025</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>6/20/2025</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>	<i>2/18/2025</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>	<i>4/28/2025</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>2/9/2025</i>
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>2/25/2025</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>2/3/2025</i>
<i>Manny Cruz</i>	<i>7th Essex</i>	<i>2/4/2025</i>
<i>Leigh Davis</i>	<i>3rd Berkshire</i>	<i>5/13/2025</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>2/14/2025</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>	<i>3/25/2025</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	<i>4/2/2025</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>5/13/2025</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>1/30/2025</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>1/24/2025</i>

<i>Rodney M. Elliott</i>	<i>16th Middlesex</i>	<i>1/18/2026</i>
<i>Tricia Farley-Bouvier</i>	<i>2nd Berkshire</i>	<i>4/1/2025</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>1/30/2025</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>6/18/2025</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>1/29/2025</i>
<i>Homar Gómez</i>	<i>2nd Hampshire</i>	<i>3/12/2025</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>3/28/2026</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>1/22/2025</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>	<i>5/6/2025</i>
<i>Tara T. Hong</i>	<i>18th Middlesex</i>	<i>1/28/2025</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>1/27/2025</i>
<i>Patrick Joseph Kearney</i>	<i>4th Plymouth</i>	<i>1/22/2025</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>4/1/2025</i>
<i>Michael P. Kushmerek</i>	<i>3rd Worcester</i>	<i>3/28/2025</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>2/10/2025</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>5/13/2025</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>	<i>2/18/2025</i>
<i>Hadley Luddy</i>	<i>4th Barnstable</i>	<i>5/29/2025</i>
<i>William F. MacGregor</i>	<i>10th Suffolk</i>	<i>1/24/2025</i>
<i>Adrian C. Madaro</i>	<i>1st Suffolk</i>	<i>4/5/2025</i>
<i>Christopher M. Markey</i>	<i>9th Bristol</i>	<i>1/13/2026</i>
<i>Rita A. Mendes</i>	<i>11th Plymouth</i>	<i>6/12/2025</i>
<i>Samantha Montaña</i>	<i>15th Suffolk</i>	<i>1/22/2025</i>
<i>John Francis Moran</i>	<i>9th Suffolk</i>	<i>4/10/2025</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/26/2025</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>2/10/2026</i>
<i>Jacob R. Oliveira</i>	<i>Hampden, Hampshire and Worcester</i>	<i>2/6/2025</i>
<i>Steven Owens</i>	<i>29th Middlesex</i>	<i>2/4/2025</i>
<i>Bridget Plouffe</i>	<i>9th Plymouth</i>	<i>4/14/2025</i>
<i>Orlando Ramos</i>	<i>9th Hampden</i>	<i>6/24/2025</i>
<i>Sean Reid</i>	<i>11th Essex</i>	<i>6/13/2025</i>
<i>Estela A. Reyes</i>	<i>4th Essex</i>	<i>3/20/2025</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>	<i>6/10/2025</i>
<i>Amy Mah Sangiolo</i>	<i>11th Middlesex</i>	<i>5/12/2025</i>
<i>Greg Schwartz</i>	<i>12th Middlesex</i>	<i>1/13/2026</i>
<i>Danillo A. Sena</i>	<i>37th Middlesex</i>	<i>1/24/2025</i>
<i>Priscila S. Sousa</i>	<i>6th Middlesex</i>	<i>6/17/2025</i>
<i>Joshua Tarsky</i>	<i>13th Norfolk</i>	<i>10/9/2025</i>
<i>Steven Ultrino</i>	<i>33rd Middlesex</i>	<i>5/13/2025</i>

<i>Erika Uytterhoeven</i>	<i>27th Middlesex</i>	<i>1/22/2025</i>
<i>Susannah M. Whipps</i>	<i>2nd Franklin</i>	<i>2/6/2025</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>6/16/2025</i>
<i>Christopher J. Worrell</i>	<i>5th Suffolk</i>	<i>3/5/2025</i>
<i>Lisa Field</i>	<i>3rd Bristol</i>	<i>8/29/2025</i>
<i>Hannah Bowen</i>	<i>6th Essex</i>	<i>10/22/2025</i>

HOUSE No. 1405

By Representatives Sabadosa of Northampton and Scarsdale of Pepperell, a petition (accompanied by bill, House, No. 1405) of Lindsay N. Sabadosa, Margaret R. Scarsdale 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-Fourth General Court
(2025-2026)**

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 provider”, any professional person, medical group, independent practice
13 association, organization, health care facility, or other person or institution licensed or authorized
14 by law to provide professional health care services to an individual in the Commonwealth.

15 “Institutional provider” means an inpatient hospital, nursing facility, rehabilitation
16 facility, and other health care facilities that provide overnight or ambulatory care.

17 "Noninstitutional provider" means an individual provider and other health care
18 practitioner that does not provide overnight or ambulatory care.

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, health care services for all its residents as a right, responsive to the needs of the
38 Commonwealth and its residents, without co-insurance, co-payments, deductibles, or any other
39 form of patient cost sharing, and be accountable to its citizens through the Trust. The Trust shall
40 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 diagnoses, or geographic
45 location.

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

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

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

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

60 (b) to ensure that all residents have access to dental care, behavioral health, eyeglasses,
61 hearing aids, home health care, nursing home care, long-term care, hospice care, and other
62 important health care needs.

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

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

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

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

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

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

81 (i) to achieve measurable improvement in health care outcomes according to accepted
82 health care industry standards;

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

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

86 (l) to increase satisfaction with the health care system among health care practitioners,
87 patients, and the employers and employees of the Commonwealth, using standardized
88 measurement tools and techniques;

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

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

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

95 Section 3. Establishment of the Massachusetts Health Care Trust

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

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

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

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

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

123 Section 4: Powers of the Trust

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

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

127 (2) to adopt an official seal;

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

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

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

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

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

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

140 (9) to establish advisory boards;

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

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

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

153 include the identity of the donor, lender, the nature of the transaction and any condition attaching
154 thereto;

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

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

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

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

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

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

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

176 (4) and eight Trustees each appointed by one of the eight Governor's Councillors, with
177 each Trustee required to reside in the same Governor's Council district as the Councillor who
178 appoints them.

179 (5) Of these 29 members, one shall be an expert or have professional, lived, or academic
180 experience related to homelessness; one shall be an expert or have professional, lived, or
181 academic experience related to LGBTQIA+ rights or advocacy; and one shall be an expert or
182 have professional, lived, or academic experience related to patients' rights or advocacy.

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

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

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

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

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

210 (f) The Board is responsible for ensuring universal access to high quality health care for
211 every resident of the Commonwealth and shall specifically address the following:

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

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

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

220 Section 6. Executive Director; Purpose and Duties

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

305 The responsibilities shall include but are not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

373 Section 12. Eligible Participants

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

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

377 (2) all non-residents who:

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

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

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

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

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

383 (b) Payment for emergency care of Massachusetts residents obtained out of state shall be

384 at prevailing rates where service occurred. Payment for non-emergency care of Massachusetts

385 residents obtained out of state shall be according to rates and conditions established by the

386 Executive Director. The Executive Director may require that a resident be transported back to

387 Massachusetts when prolonged treatment of an emergency condition is necessary if

388 transportation is safe for the patient in light of the patient's medical condition.

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

392 Section 13. Eligible Health Care Providers

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

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

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

398 (3) furnishes a signed agreement that:

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

402 (ii) the health care provider will comply with all state and federal laws regarding the
403 confidentiality of patient records and information;

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

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

408 review analyses, statistical and fiscal studies of operations, and compliance with state and federal
409 law;

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

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

413 (6) Since a hospital's purpose is to serve patients and not to enrich private shareholders,
414 the department of public health shall not issue a license or renew a license for a hospital under
415 section 51 of chapter 111 unless said hospital is organized as a non-profit entity under section
416 501(c)(3) of the Internal Revenue Code .

417 Section 14. Budgeting and Payments to Eligible Health Care Providers

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

419 (1) an operating budget;

420 (2) a capital expenditures budget;

421 (3) reimbursement levels for non-institutional providers consistent with rates set by the
422 Trust that ensure that: (i) the total costs of all services offered by or through the provider are
423 reasonable; and (ii) the aggregate rates of the provider are related reasonably to the aggregate
424 costs of the health care provider; and

425 (4) budgets for institutional providers. These budgets shall consist of an operating and a
426 capital budget. An institution's annual budget shall be set to cover its anticipated health care
427 services for the next year based on past performance and projected changes in prices and health

428 care service and utilization levels. The annual budget for each individual institutional provider
429 shall be set separately. The board shall not set a joint budget for a group of more than one
430 institutional provider nor for a parent corporation that owns or operates one or more institutional
431 providers.

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

433 (1) payment for services rendered by physicians and other clinicians and non-institutional
434 providers;

435 (2) budgets for institutional providers; and

436 (3) administration of the Trust.

437 (c) Payments for operating expenses shall not be used to finance capital expenditures or
438 for activities to assist, promote, deter, or discourage union organizing. Any prospective payments
439 made in excess of actual costs for covered services shall be returned to the Trust. Prospective
440 payment rates and schedules shall be adjusted annually to incorporate retrospective adjustments.
441 Except as provided in Section 15 of this chapter, reimbursement for covered services by the
442 Trust shall constitute full payment for the services rendered.

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

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

447 (2) protect health care providers who serve a disproportionate share of eligible
448 participants whose expected use of covered health care services and expected health care

449 expenditures for such services are greater than the average use and expenditure rates for eligible
450 participants statewide.

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

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

453 (2) major equipment purchases.

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

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

462 Section 15. Covered Benefits

463 (a) The Trust shall pay for all professional services provided by eligible health care
464 providers to eligible participants needed to:

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

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

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

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

471 (1) prevention, diagnosis, and treatment of illness and injury, including but not limited to
472 laboratory, diagnostic imaging, inpatient, ambulatory, and emergency medical care, blood and
473 blood products, dialysis, mental health services, palliative care, dental care, vision care,
474 audiology care, acupuncture, physical therapy, chiropractic, and podiatric services;

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

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

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

481 (5) substance use disorder services, including supportive residences and ongoing
482 outpatient service;

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

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

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

488 (9) hospice care;

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

491 (11) emergency and other medically necessary transportation;

492 (12) the full scale of dental services, other than cosmetic dentistry;

493 (13) basic vision care and correction, including glasses, other than laser vision correction
494 for cosmetic purposes;

495 (14) hearing evaluation and treatment including hearing aids;

496 (15) prescription drugs;

497 (16) durable and non-durable medical equipment, supplies, and appliances, including
498 complex rehabilitation technology products and services as medically necessary, individually-
499 configured manual and power wheelchair systems, adaptive seating systems, alternative
500 positioning systems, and other mobility devices that require evaluation, fitting, configuration,
501 adjustment, or programming; and

502 (17) all new emerging technologies irrespective of where the parent company is located,
503 such as telemedicine and telehealth health care providers.

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

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

509 Section 16. Wraparound Coverage for Federal Health Programs

510 (a) Prior to obtaining any federal program's waivers to receive federal funds through the
511 Health Care Trust, the Trust shall seek to ensure that participants eligible for federal program
512 coverage receive access to care and coverage equal to that of all other Massachusetts
513 participants. It shall do so by (1) paying for all services enumerated under Section 15 not covered
514 by the relevant federal plans; (2) paying for all such services during any federally mandated gaps
515 in participants' coverage; and (3) paying for any deductibles, co-payments, co-insurance, or
516 other cost sharing incurred by such participants.

517 Section 17. Establishment of the Health Care Trust Fund

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

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

527 Section 18. Purpose of the Trust Fund

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

529 (1) to pay eligible health care providers covered services rendered to eligible individuals;

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

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

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

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

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

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

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

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

553 Section 19. Funding Sources

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

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

570 (1) An employer payroll tax of 7.5 percent will be assessed on employee W-2 wages,
571 exempting the first \$20,000 of payroll per establishment, replacing previous spending by

572 employers on health premiums. An additional employer payroll tax of 0.5 per cent will be
573 assessed on establishments with 100 or more employees;

574 (2) An employee payroll tax of 2.5 percent will be assessed, exempting the first \$20,000
575 of income, replacing previous spending by employees on health premiums and out-of-pocket
576 expenses; all W-2 wages will be combined for each taxpayer and one \$20,000 exemption will be
577 allowed;

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

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

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

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

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

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

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

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

615 (h) The Trust shall receive all monies paid to the Commonwealth by the federal
616 government for health care services covered by the Trust. The Trust shall seek to maximize all
617 sources of federal financial support for health care services in Massachusetts. Accordingly, the
618 Executive Director shall seek all necessary waivers, exemptions, agreements, or legislation, if
619 needed, so that all current federal payments for health care shall, consistent with the federal law,
620 be paid directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or
621 legislation, the Executive Director shall seek from the federal government a contribution for
622 health care services in Massachusetts that shall not decrease in relation to the contribution to
623 other states as a result of the waivers, exemptions, agreements, or legislation.

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

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

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

628 (3) employee benefit contracts;

629 (4) government benefit programs;

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

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

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

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

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

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

640 (l) Whenever an individual receives health care services under the Trust and the
641 individual is entitled to coverage, reimbursement, indemnity, or other compensation from a
642 collateral source, the individual shall notify the health care provider and provide information
643 identifying the collateral source other than federal sources, the nature and extent of coverage or
644 entitlement, and other relevant information. The health care provider or facility shall forward this
645 information to the Executive Director. The individual entitled to coverage, reimbursement,
646 indemnity, or other compensation from a collateral source shall provide additional information as
647 requested by the Executive Director.

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

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

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

660 (p) The Trust shall retain:

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

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

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

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

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

676 (s) Six months prior to the establishment of the Health Care Trust, all laws and
677 regulations requiring health insurance carriers to maintain cash reserves for purposes of
678 commercial stability (such as under Chapter 176G, Section 25 of the General Laws) shall be
679 repealed. In their place, the Executive Director of the Trust shall assess an annual health care
680 stabilization fee upon the same carriers, amounting to the same sum previously required to be
681 held in reserves, which shall be credited to the Health Care Trust Fund.

682 Section 20. Insurance Reforms

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

687 Section 21. Health Care Trust Regulatory Authority

688 The Trust shall adopt and promulgate regulations to implement the provisions of this
689 chapter. The initial regulations may be adopted as emergency regulations but those emergency
690 regulations shall be in effect only from the effective date of this chapter until the conclusion of
691 the transition period in Section 22.

692 Section 22. Implementation of the Health Care Trust

693 This legislation shall be fully implemented within one year of the date of its enactment.

694 Not later than forty-five days after enactment of this legislation, the Governor, Attorney
695 General, and Governor's Councillors shall make their appointments to the Board of the

696 Massachusetts Health Care Trust. The first meeting of the Board shall take place within 10 days
697 of these appointments.

698 The Board shall immediately begin the process of hiring an Executive Director of the
699 Trust, review enabling legislation, educating itself regarding general purposes, economics, and
700 authority of the Trust. The Board shall develop a budget for the transition and initiate the
701 process of obtaining federal waivers and agreements concerning payments from Medicare,
702 Medicaid, and other public programs. The Board shall also set a general timeframe for
703 establishing the Trust with a launch date no less than one year from the date of enactment.

704 In the first phase of transition, the Executive Director shall begin hiring staff, establishing
705 the administrative and information technology infrastructure for the Trust, and negotiating
706 reimbursement rates for health care services, pharmaceuticals, and medical equipment. health
707 care providers shall develop plans for transitioning to the Trust.

708 In the second phase of transition, the infrastructure of the Trust shall be established,
709 including Regional Offices to provide public education about the new system; training of health
710 care providers' staff on systems for processing bills to the Trust; and introduction of accounting
711 regulations to employers for payment of payroll taxes. Private insurers shall pay the annual
712 health care stabilization fee. Residents of the Commonwealth shall receive health care
713 identification cards with an explanation of benefits and contact information for their Regional
714 office.

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