

SENATE No. 2216

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 and construct a hospital in the town of Norwood to be operated by UMass Memorial Health Care, Inc.

PETITION OF:

NAME:

Michael F. Rush

DISTRICT/ADDRESS:

Norfolk and Suffolk

SENATE No. 2216

By Mr. Rush, a petition (accompanied by bill, Senate, No. 2216) of Michael F. Rush for legislation to authorize the University of Massachusetts Building Authority to purchase and construct a hospital in the town of Norwood to be operated by UMass Memorial Health Care, Inc. State Administration and Regulatory Oversight.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act authorizing the University of Massachusetts Building Authority to purchase and construct a hospital in the town of Norwood to be operated by UMass Memorial Health Care, Inc.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to authorize the purchase and construction of a hospital in the town of Norwood by the University of Massachusetts Building Authority to be operated by UMass Memorial Health Care, Inc., 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.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 4. The authority is hereby authorized to, for the purpose of constructing a medical facility to be named "UMass Memorial Health- Norwood Hospital", either enter into a purchase agreement with MPT of Norwood-Steward, LLC for fair market value or take by

eminent domain pursuant to the General Laws the real property, including all buildings and appurtenances thereon, located at 800 Washington street in the town of Norwood.

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

SECTION 6. (a) Notwithstanding the provisions of any general or special law to the contrary, the trustees may transfer to one or more nonprofit corporations the management and control of all operations of the clinical division and ownership or use of all properties and assets of the clinical division as the trustees deem necessary for the operation of the clinical division including: all tangible personal property, such as equipment, inventories, supplies, medical records, furniture, automobiles and helicopters; all accounts receivable, notes receivable, cash, cash equivalents, securities, prepaid expenses and other current assets including assets held in the Medical School Teaching Hospital Trust Fund, assets held in the Self Insurance Trust Fund and assets of the group practice; all pledges received for clinical operations; all rights with respect to leases and subleases, governmental and administrative licenses, permits, authorizations, orders, registrations, certificates, variances, approvals, consents, and franchises used or useful in connection with the operation of the clinical division; all patient lists; all rights under any contracts relating to the operation of the clinical division; all business and financial records, books and materials; all rights to insurance policies; all claims and other causes of action, and including all assets conveyed or transferred in accordance with the agreements referred to in 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

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

(d) Upon the occurrence of the transfer, merger or consolidation authorized by this section, the parent corporation shall include as part of its corporate purposes or mission the promotion and support of the medical school and a recognition of the importance of being part of an outstanding scientific and educational community and of providing high quality education and training to the commonwealth's future physicians, nurses and allied health professionals, and such part of its corporate purposes or mission shall not be amended without prior legislative approval. The medical school and the corporations shall develop complementary academic and

clinical strategies that are linked through joint investments in academic and clinical programs designed to foster a cooperative and team-oriented approach; the medical school and the corporations shall inform and consult with each other on major changes in the mission or operations of either, and the medical school and the corporations shall establish a senior management group to review issues of common concern and the chancellor and the chief executive officer of the parent corporation shall consult and use their best efforts to reach mutually acceptable decisions in such areas. One or more corporations shall serve as the primary teaching hospital and training site for the medical school. To the extent contained in the agreements referenced in subsection (b), the faculty of the medical school shall serve as the primary source of the clinical staff of the corporations and the same individuals shall serve as the academic and clinical department chairs. To the extent contained in the agreements referenced in said subsection (b), all research activities of the corporations shall be managed by the medical school, and the corporations shall work with the medical school to provide necessary clinical and support services for the medical school's contracts with other state agencies and departments.

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

initiated in respect of any matter resulting from any contract, agreement, employment matter and all other existing or future liabilities of the university arising out of or resulting from the operation of the clinical division.

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

(g) Notwithstanding any general or special law or regulations promulgated thereunder to the contrary, this act shall constitute a determination of need for purposes of licensure and change of ownership as well as a determination of suitability for change of ownership and also 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

not be laid off pursuant to a reduction in force for the purpose of replacing such employees with employees of the corporation. A corporation shall recognize the Massachusetts Nurses Association as the exclusive bargaining representative of those registered nurses who were employed by the clinical division and who, after the effective date of this act, become employees of such corporation at a campus or location where employees have previously been providing services as employees of the university, and shall be bound by terms of the agreement between the university and the association; provided, however, that, with respect to benefits provided under said agreement the terms of which are determined by statute for or are available only to, public employees as defined in section 1 of said chapter 150E, such corporation shall negotiate with said association to provide benefits to said employees which are comparable, in the aggregate, thereto. If the parties fail to reach agreement concerning the comparability of said benefits, or the aggregate pension or group health insurance benefits provided to said employees under this subsection, to the benefits previously received by them, such disagreement shall be submitted to arbitration under the arbitration procedures provided in said agreement. A corporation and the Massachusetts Nurses Association may agree to negotiate future collective bargaining agreements for the corporation's registered nurses at the same time and in conjunction with the negotiations conducted by the university for future collective bargaining agreements with said association with respect to bargaining units in which registered nurses whose services are leased or otherwise provided to the corporation by the university and registered nurses employed by the corporation are performing the same work at the same campus or other location or locations, and are represented by the association.

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

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

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

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

SECTION 9. (a) In authorizing the transfer or merger or consolidation authorized in section 5 for the benefit of the people of the commonwealth, and in full recognition of the implications thereof, it is declared to be the intent of this act to supersede the application to said transaction of all federal competition laws, including sections 1 to 8, inclusive, sections 12 to 27, 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.