

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

John C. Velis

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 to address the financial sustainability of the Health Safety Net.

PETITION OF:

NAME:

John C. Velis

DISTRICT/ADDRESS:

Hampden and Hampshire

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 811 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act to address the financial sustainability of the Health Safety Net.

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 2000 of Chapter 29 of the general laws is hereby amended by
2 striking the third sentence in the second paragraph in its entirety and inserting in place thereof
3 the following:- Money from the fund shall be transferred to the Health Safety Net Trust Fund, or
4 any successor fund, as necessary to provide payments to acute hospitals and community health
5 centers for reimbursable health services. No less than the amounts in subsection (b) of section
6 189 of chapter 149 of the general laws shall be annually transferred to the Health Safety Net
7 Trust Fund.

8 SECTION 2. Section 189 of chapter 149 of the general laws is here by amended in
9 subsection (b) by striking “\$30,000,000” and replacing with “\$60,000,000”.

10 SECTION 3. Section 64 of Chapter 118E of the General Laws, as appearing in the 2022
11 Official Edition, is hereby amended by inserting after the definition of “Resident” the following
12 new definition:-

13 "Supplemental shortfall assessment", an amount equal to 50 percent of the annual
14 revenue shortfall in the Health Safety Net Trust fund as determined by the executive office
15 pursuant to subsection (a) of section 68A.

16 SECTION 4. Section 66 of Chapter 118E of the General Laws, as so appearing, is hereby
17 amended in subsection (b) by striking out clause (i) and inserting in place thereof the following:-
18 “all amounts paid by hospitals and managed care organizations under sections 67, 68 and 68A;”.

19 SECTION 5. Section 66 of Chapter 118E of the General Laws, as so appearing, is hereby
20 further amended in subsection (b) by inserting after the words “money transferred”, the
21 following:- “by the executive office in accordance with section 68A of this chapter,”.

22 SECTION 6. Chapter 118E of the General Laws, as so appearing, is hereby amended by
23 adding the following new section:-

24 Section 68A. Supplemental MCO Assessment to Fund Shortfall

25 (a) No later than April 1 of the year preceding the start of the fund fiscal year, the
26 executive office shall estimate the projected total reimbursable health services provided by acute
27 hospitals and community health centers and emergency bad debt costs, the total funding
28 available and any projected shortfall after adjusting for reimbursement payments to hospitals and
29 community health centers. If a shortfall in revenue is estimated to exist in any fund fiscal year to
30 cover projected costs for reimbursement of health services, the executive office shall allocate 50

31 percent of that shortfall amount to managed care organizations subject to an assessment in
32 section 68 of Chapter 118E and that are not Medicaid managed care organizations.

33 (b) The executive office shall allocate the supplemental shortfall assessment in a manner
34 consistent with the methods promulgated by the executive office to determine the managed care
35 liability defined in section 68, with the exception that the supplemental shortfall assessment shall
36 only be assessed to managed care organizations that are not Medicaid managed care
37 organizations.

38 (c) The supplemental shortfall assessment shall be paid to the Health Safety Net Trust
39 Fund, established in section 66, by managed care organizations subject to the assessment on a
40 monthly basis and shall be assessed on all managed care organization services subject to
41 assessment. The executive office shall finalize the supplemental surcharge amount for each fund
42 fiscal year using best available data no later than 60 days after the fund fiscal year end.

43 (d) The secretary of health and human services shall implement the supplemental
44 shortfall assessment described in this section and shall promulgate regulations necessary to
45 support implementation of said assessment. In promulgating such regulations, the secretary of
46 health and human services shall, at a minimum: (i) establish set assessment rates for the
47 supplemental shortfall assessment; (ii) establish any necessary reporting requirements for
48 managed care organizations; (iii) establish an appropriate mechanism for enforcing each
49 managed care organization's supplemental shortfall assessment liability to the Health Safety Net
50 Trust Fund, established in section 66, if a managed care organization rendering managed care
51 organization services subject to assessment does not make a scheduled payment to the Health
52 Safety Net Trust Fund; (iv) specify an appropriate mechanism for determination and payment of

53 a managed care organization’s supplemental shortfall assessment liability to the Health Safety
54 Net Trust Fund; (v) identify the managed care organization services subject to the supplemental
55 shortfall assessment; (vi) specify an appropriate mechanism for the determination of a managed
56 care organization’s liability in cases of merger or transfer of ownership; and (vii) specify an
57 appropriate mechanism by which any amounts paid by a managed care organization in excess of
58 its supplemental shortfall assessment may be refunded or otherwise credited to the managed care
59 organization.

60 SECTION 7. Section 69 of Chapter 118E of the General Laws, as so appearing, is hereby
61 amended in subsection (b) by striking out the second sentence and inserting in place thereof the
62 following:- “If a shortfall in revenue exists in any fund fiscal year to cover projected costs for
63 reimbursement of health services, the office shall allocate 50 percent of that shortfall in a manner
64 that reflects each hospital's proportional financial requirement for reimbursements from the fund,
65 including, but not limited to, the establishment of a graduated reimbursement system and under
66 any additional regulations promulgated by the office.”