

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Ryan C. Fattman

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 relative to fiduciary responsibility.

PETITION OF:

NAME:

Ryan C. Fattman

DISTRICT/ADDRESS:

Worcester and Hampden

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 745 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act relative to fiduciary responsibility.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 118E of the General Laws, as appearing in the 2022 Official Edition, is hereby
2 amended by adding the following section:-

3 Section 83. (a) As used in this section, the following words shall have the following
4 meanings unless the context clearly requires otherwise:

5 "Asset transfer disqualification", a transfer of assets for less than fair market value by a
6 Medicaid applicant or recipient as set forth in 42 U.S.C. 1396p(c)(1)(A) and 42 U.S.C.
7 1396p(c)(1)(B).

8 "Costs of care", all costs of health care and lodging and all related costs, including
9 transportation, medical and personal care and any other costs, charges and expenses incurred by
10 the facility in rendering care to the resident.

11 "Department", the department of public health.

12 "Fiduciary", a person to whom power or property has been formally entrusted for the
13 benefit of another such as an attorney-in-fact, legal guardian, trustee, or representative payee.

14 "Long-term care facility", a facility licensed by the department of public health pursuant
15 to section 71 of chapter 111 of the General Laws.

16 "Patient liability amount", the amount of income that a resident is liable to contribute
17 toward the cost of his or her nursing facility care.

18 "Period of asset transfer disqualification", the period of ineligibility for Medicaid required
19 under 42 U.S.C. 1396p(c)(1)(E).

20 "Person", persons both natural and otherwise, including, without limitation, any
21 corporation, partnership, limited liability company, trust or other entity.

22 "Resident", any person who inhabits or inhabited a long-term care facility for any period
23 of time.

24 (b) Except as provided in subsection (c), when an asset transfer made on or after the
25 effective date of this section results in a final determination of a Medicaid asset transfer
26 disqualification, the person who received the assets from a resident which resulted in the
27 Medicaid asset transfer disqualification shall be liable under this section to the long-term care
28 facility for all costs of care up to the amount transferred to the person. The person shall be liable
29 at the facility's Medicaid rate for services for the period of asset transfer disqualification.

30 (c) It shall be an affirmative defense in any action instituted under subsection (b), that the
31 transfer of the asset which resulted in a final determination of a Medicaid asset transfer

32 disqualification was not a disqualifying transfer under 42 U.S.C. 1396p. The court's decision
33 regarding such affirmative defense shall be made independently of the determination made by
34 the department. If that affirmative defense is proven, the person shall not be liable under
35 subsection (b).

36 (d) The facility shall send a written notice of its intent to file the action to any person
37 whom it intends to name as a defendant in the action at least 45 days before filing an action
38 pursuant to this section.

39 (e) Any fiduciary or person who has received authority over the income of a resident such
40 as a person who has been given or otherwise obtained authority over a resident's bank account,
41 has been named as or has rights as a joint account holder, or otherwise has obtained or received
42 any control over a resident's bank account or any other income of a resident, shall be liable under
43 this section to the long-term care facility to the extent that any such person or fiduciary refuses to
44 pay the patient liability amount due under Medicaid, provided that the person or fiduciary is in
45 receipt of written notice from the department of the patient liability amount at the time such
46 income is received by the fiduciary or person, and provided further that the liability of the person
47 or fiduciary shall be for amounts going forward from the receipt of the notice. The facility shall
48 send a written notice of its intent to file the action to any person or fiduciary that it intends to
49 name as a defendant in the action at least 30 days before filing an action pursuant to this
50 subsection.

51 (f) No judgment obtained in any proceeding under this section shall be acted upon
52 through execution, levy, or otherwise during the pendency of any actually completed and filed
53 application for Medicaid. Attachments and trustee process to secure any judgment or potential

54 judgment shall be permitted subject to the discretion of the court to protect facilities from non-
55 payment or from the failure of the resident, or that resident's fiduciary, to cooperate in obtaining
56 Medicaid.

57 (g) Nothing contained in this section shall prohibit or otherwise diminish any other
58 causes of action possessed by any such long-term care facility. The death of the resident shall not
59 nullify or otherwise affect the liability of the person or persons charged with the cost of care
60 rendered or the patient liability amount as referenced in this section.

61 (g) A fiduciary under this section shall not be personally liable for the acts or omissions
62 of the fiduciary's predecessor, if any, solely by reason of his or her role as successor fiduciary.