

## Joint Committee on Health Care Financing 2025-2026 (194th) Bill Summary

<b><u>Bill Number:</u></b>	House, No. 1385
<b><u>Title:</u></b>	AN ACT EXPANDING THE MORAL OBLIGATION BOND PROGRAM TO ACUTE CARE HOSPITALS
<b><u>Sponsor:</u></b>	Representative John J. Lawn, Jr. (Watertown)
<b><u>Hearing Date:</u></b>	June 2, 2025
<b><u>Reporting Deadline:</u></b>	August 1, 2025
<b><u>Prior History:</u></b>	New Bill
<b><u>Similar Matters:</u></b>	S685 (Finegold – Identical, Health Care Financing)

### **Current Law:**

**M.G.L. Chapter 111 § 25B** defines “acute-care hospital” as any hospital licensed under section fifty-one of chapter 111 of the general laws and the teaching hospital of the University of Massachusetts Medical School, which contains a majority of medical-surgical, pediatric, obstetric, and maternity beds, as defined by the department.

**Chapter 618 of the Acts of 1968** establishes the Health and Educational Facilities Authority (HEFA) to provide a range of capital-related financial products and other services to eligible nonprofit institutions in the fields of health care, higher education, science, culture, and human services.

**Section 48 of Chapter 288 of the Acts of 2010** authorizes HEFA to create and establish special funds known as Community Hospital and Community Health Center Capital Reserve Funds and, to the extent so created, pay into each such fund any monies appropriated and made available by the commonwealth for the purposes of such fund.

**801 CMR 56.00** clarifies the process and requirements for approval by the Secretary of Administration and Finance of financing for nonprofit community hospitals and nonprofit community health centers.

**801 CMR 56.02** defines a “moral obligation bond” as a bond issued by the Massachusetts Development Finance Agency for the benefit of a nonprofit community hospital or nonprofit community health center and which is secured by a Community Hospital and Community Health Center Capital Reserve Fund.

### **Summary:**

This legislation expands the use of moral obligation bonds to include all nonprofit acute care hospitals, expanding eligibility for funding opportunities.