

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

<u>Bill Number:</u>	House, No. 1420
<u>Title:</u>	AN ACT TO PREVENT MEDICAL DEBT BY RESTORING HEALTH SAFETY NET ELIGIBILITY LEVELS
<u>Sponsor:</u>	Representative Christopher J. Worrell (Dorchester)
<u>Hearing Date:</u>	July 15, 2025
<u>Reporting Deadline:</u>	September 13, 2025
<u>Prior History:</u>	New Bill
<u>Similar Matters:</u>	S852 (DiDomenico - Identical, Health Care Financing)

Current Law:

M.G.L. Ch. 118E § 1 designates the Executive Office of Health and Human Services [EOHHS] as the single state agency responsible for the administration of any programs of medical assistance and medical benefits established pursuant to Chapter 118E. The Secretary of EOHHS is authorized to take actions, through the division of medical assistance [DMA] and the secretary of aging and independence, as appropriate, in this capacity, in accordance with section 2 of Chapter 118E.

M.G.L. Ch. 118E § 8A defines certain terms as understood within the context of sections 13C to 13K, inclusive, and sections 64 to 70, inclusive, of chapter 118E.

M.G.L. Ch. 118E §§ 64 through 70, inclusive, governs the operations of the Health Safety Net Office and the administration of the Health Safety Net Trust Fund. The Health Safety Net reimburses hospitals and community health centers for a portion of the cost of reimbursable health services to eligible low-income, uninsured and underinsured Massachusetts residents whose family income is under a certain percentage of the Federal Poverty Level [FPL], as set forth in regulations promulgated by EOHHS.

101 CMR 613.00 governs the criteria applicable April 1, 2024, for determining the services for which acute hospitals and community health centers may be paid by the Health Safety Net, including the three categories of services that are eligible to be paid by the Health Safety Net, and the criteria to determine “Low Income Patient” status, to determine medical hardship, and to submit claims for bad debt.

- Pursuant to 101 CMR 613.04, a Low Income Patient is eligible for the Health Safety Net if they are a Massachusetts resident and their household income is not more than 300% of the federal poverty level, with certain exclusions and qualifications established in regulation. Eligible residents with income above 150% and equal to, or less than 300% FPL may be eligible for the Health Safety Net with a deductible.
- Pursuant to 101 CMR 613.02, there is a 10-day period of retroactive coverage for services delivered to Health Safety Net eligible residents’ medical coverage, determined by the date an application for eligibility is submitted.

Section 673(2) of the Omnibus Budget Reconciliation Act (OBRA) of 1981 (42 U.S.C. § 9902(2)) requires the Secretary of the Department of Health and Human Services to update the federal poverty guidelines (FPL) at least annually, adjusting them on the basis of the Consumer Price Index for All Urban Consumers (CPI-U). As required by law, this update is accomplished by increasing the latest published Census Bureau poverty thresholds by the

relevant percentage change in the Consumer Price Index for All Urban Consumers (CPI-U). The 2025 FPL values are shown in the table below:

2025 POVERTY GUIDELINES – 48 CONTIGUOUS STATES DOLLARS PER YEAR (PER MONTH)				
Household/ Family Size	150%	200%	300%	400%
1	23,475 (1,956.25)	31,300 (2,608.33)	46,950 (3,912.50)	62,600 (5,216.67)
2	31,725 (2,643.75)	42,300 (3,525.00)	63,450 (5,287.50)	84,600 (7,050.00)
3	39,975 (3,331.25)	53,300 (4,441.67)	79,950 (6,662.50)	106,600 (8,883.33)
4	48,225 (4,018.75)	64,300 (5,358.33)	96,450 (8,037.50)	128,600 (10,716.67)
5	56,475 (4,706.25)	75,300 (6,275.00)	112,950 (9,412.50)	150,600 (12,550.00)
6	64,725 (5,393.75)	86,300 (7,191.67)	129,450 (10,787.50)	172,600 (14,383.33)
7	72,975 (6,081.25)	97,300 (8,108.33)	145,950 (12,162.50)	194,600 (16,216.67)
8	81,225 (6,768.75)	108,300 (9,941.67)	162,450 (13,537.50)	216,600 (18,050.00)
NOTE: For families/households with more than 8 persons, add \$5,500 per additional person				

Summary:

SECTIONS 1 & 2 of the proposed legislation amend section 65 of chapter 118E to establish in statute the following Health Safety Net eligibility criteria currently set through regulation:

- A statutory maximum income level for Health Safety Net eligibility set at 400% FPL, increased from the current regulatory maximum income level set at 300% FPL.
- A statutory income threshold at which residents eligible for the Health Safety Net are required to pay a deductible set at 200% FPL, increased from the current regulatory income threshold set at 150% FPL.
- A statutory period of retroactive coverage for services delivered to Health Safety Net eligible residents’ medical coverage set at 180 days from the date an application for eligibility is submitted, increased from the current 10 day period of retroactive coverage established in regulation.

SECTION 3 of the proposed legislation directs the Health Safety Net Office to convene a task force to investigate the adequacy of Health Safety Net Trust Fund financing and reimbursements. Task force membership shall include, but is not limited to, a consumer advocate representative, a hospital representative, a community health center representative, and a health insurance plan representative. The task force is instructed to report to the general court the results of its investigation within 1 year of the effective date of the Act.