

SENATE No. 623

The Commonwealth of Massachusetts

PRESENTED BY:

Jennifer L. Flanagan

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:	DISTRICT/ADDRESS:	
<i>Jennifer L. Flanagan</i>	<i>Worcester and Middlesex</i>	
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>	<i>1/31/2017</i>
<i>Mathew Muratore</i>	<i>1st Plymouth</i>	<i>2/1/2017</i>
<i>Danielle W. Gregoire</i>	<i>4th Middlesex</i>	<i>2/2/2017</i>
<i>Viriato M. deMacedo</i>	<i>Plymouth and Barnstable</i>	<i>2/3/2017</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/3/2017</i>

SENATE No. 623

By Ms. Flanagan, a petition (accompanied by bill, Senate, No. 623) of Jennifer L. Flanagan, Thomas J. Calter, Mathew Muratore, Danielle W. Gregoire and other members of the General Court for legislation to address the financial sustainability of the health safety net. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

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, as appearing in the 2014
2 official edition, shall be amended by striking the third sentence in the second paragraph in its
3 entirety and inserting in place thereof the following:

4 Money from the fund shall be transferred to the Health Safety Net Trust Fund, or any
5 successor fund, as necessary to provide payments to acute hospitals and community health
6 centers for reimbursable health services. No less than the amounts in subsection (b) of section
7 189 of chapter 149 of the general laws shall be annually transferred to the Health Safety Net
8 Trust Fund.

9 Section 2: Section 64 of Chapter 118E of the general laws, as so appearing, shall be
10 amended by inserting the following new definition:

11 "Supplemental surcharge amount", an amount equal to 50 per cent of the annual revenue
12 shortfall in the Health Safety Net Trust fund as estimated by the health safety net office no later
13 than 60 days after the fund fiscal year end.

14 Section 3: Section 66 of Chapter 118E of the general laws, as so appearing, is here by
15 amended by striking the first sentence in its entirety and inserting in place thereof the following:

16 The fund shall consist of: (i) all amounts paid by acute hospitals and surcharge payors
17 under sections 67 and 68; (ii) all appropriations for the purpose of payments to acute hospitals or
18 community health centers for health services provided to uninsured and underinsured residents;
19 (iii) any transfers from the Commonwealth Care Trust Fund, established under section 2000 of
20 chapter 29; (iv) all property and securities acquired by and through the use of monies belonging
21 to the fund and all interest thereon; and (v) an amount equal to any federal financial participation
22 revenues claimed and received by the commonwealth for eligible expenditures made from the
23 fund.

24 Section 4: Subsection (a) Section 68 of Chapter 118E of the general laws, as so
25 appearing, shall be amended by inserting the following new words immediately following the
26 phrase "total surcharge amount" in the three places that it so appears in this subsection:

27 "and the supplemental surcharge amount"

28 Section 5: Section 69 of Chapter 118E of the general laws, as so appearing, shall be
29 amended by striking subsection b in its entirety and inserting in place thereof the following:

30 (b) By April 1 of the year preceding the start of the fund fiscal year, the office shall, after
31 consultation with the office of Medicaid, and using the best data available, provide an estimate of

32 the projected total reimbursable health services provided by acute hospitals and community
33 health centers and emergency bad debt costs, the total funding available and any projected
34 shortfall after adjusting for reimbursement payments to community health centers. If a shortfall
35 in revenue exists in any fund fiscal year to cover projected costs for reimbursement of health
36 services, the office shall allocate half of that shortfall in a manner that reflects each hospital's
37 proportional financial requirement for reimbursements from the fund, including, but not limited
38 to, the establishment of a graduated reimbursement system and under any additional regulations
39 promulgated by the office. The remaining half of the shortfall shall be accounted for through a
40 supplemental surcharge amount that is paid in accordance with section 64 and 68.