

1 SECTION 4. Section 18H½ of chapter 6A of the General Laws,
2 as appearing in the 2004 Official Edition, is hereby amended by
3 striking out, in line 4, the words “December 31, 2007” and insert-
4 ing in place thereof the following words:— June 30, 2008.

1 SECTION 5. Chapter 15A of the General Laws is hereby
2 amended by inserting after section 22 the following section:—

3 Section 22A. (a) For purposes of this section, the following
4 words shall have the following meanings:—

5 “Board”, the Board of Trustees of the Roxbury Community
6 College.

7 “Center”, the Reggie Lewis Track and Athletic Center estab-
8 lished pursuant to subsection (b).

9 “College”, the Roxbury Community College.

10 “Use for nonpublic purposes”, shall include, but not be limited
11 to, the leasing or renting of the building for commercial entertain-
12 ment activity.

13 “Use for public purposes”, shall include, but not be limited to,
14 use by Massachusetts public high school track programs, members
15 of the abutting residential community or by members of the com-
16 munity at large and students, faculty, staff, and alumni at Roxbury
17 Community College.

18 (b) There is hereby established the Reggie Lewis Track and
19 Athletic Center at Roxbury Community College. The center shall
20 be a building containing a Massachusetts state track facility which
21 shall be maintained at the college for public purposes. In the
22 event the facility is not in use for public purposes, the board may
23 permit use for nonpublic purposes for a rental amount to be deter-
24 mined by said board.

25 (c) The board shall be responsible for the management and oper-
26 ation of the center including, but not limited to, the following:—

27 (i) establishing user fees;

28 (ii) entering into agreements with the Massachusetts State
29 Track Coaches Association, with other public groups and, pur-
30 suant to the provisions of this section, with nonpublic groups
31 interested in leasing or renting the center for commercial enter-
32 tainment activity;

33 (iii) establishing rules and regulations for the use of the center
34 by Massachusetts public high school track programs, by members

35 of the abutting residential neighborhoods and members of the
36 community at large, by students, faculty, and staff and alumni of
37 Roxbury Community College, and, pursuant to the provisions of
38 this section, by nonpublic groups interested in leasing or renting
39 the center for commercial entertainment activity;

40 (iv) deciding the priority of uses and schedule of the center
41 with input from an advisory committee; and

42 (v) entering into agreements with vendors to provide conces-
43 sion stand services and other agreements as deemed necessary by
44 the board for the maintenance and operation of the center.

45 (d) The center shall be made available without charge for use
46 by Massachusetts public high school track programs and Roxbury
47 Community College. The center shall be made available on a user
48 fee basis for members of the public. The center shall be made
49 available at market rate, as determined by the board, for nonpublic
50 or commercial entertainment purposes so long as the center is not
51 being used for public purposes.

52 (e) The annual operating expenses of the center shall be sepa-
53 rate and distinct from appropriations within the general appropria-
54 tions act for the college, shall use a separate item of appropriation
55 and shall be audited biennially by the state auditor.

1 SECTION 6. Chapter 22 of the General Laws is hereby amended
2 by striking out section 12, as appearing in the 2004 Official Edition,
3 and inserting in place thereof the following section:—

4 Section 12. There shall be in the department a commission,
5 to be known as the state boxing commission, which shall consist
6 of 3 members to be appointed by the governor with the advice and
7 consent of the council, for terms of 3 years each. The governor,
8 with the advice and consent of the council, shall from time to time
9 designate 1 member of said commission as chairman. The mem-
10 bers shall receive their traveling expenses necessarily incurred in
11 the performance of their duties, and the commission shall be
12 allowed such sums for clerical assistance as the governor and
13 council may approve. The secretary of the department shall act as
14 the secretary of the commission and shall keep full and true
15 records of all its proceedings. The commission may deputize 1 or
16 more persons to represent the commission, and to be present at
17 any match or exhibition authorized to be held under sections 32 to

18 51 of chapter 147. Such persons may receive such compensation
19 for their traveling expenses necessarily incurred in the discharge
20 of their duties.

1 SECTION 7. Section 2EEE of chapter 29 of the General Laws
2 is hereby repealed.

1 SECTION 8. Chapter 32A of the General Laws is hereby
2 amended by adding the following section:—

3 Section 24. (a) There is hereby established and set up on the
4 books of the commonwealth a fund to be known as the State
5 Retiree Benefits Trust Fund, hereinafter in this section referred to
6 as the fund. The pension reserves investment management board
7 established pursuant to section 23 of chapter 32, in this section
8 called the board, shall be the trustee of and shall administer the
9 fund. For the purposes of this section the secretary of the execu-
10 tive office of administration and finance, or his designee, and the
11 executive director of the group insurance commission established
12 pursuant to section 3 of chapter 32A or his designee, shall be
13 members of the board. The provisions of section 23 of chapter 32
14 shall apply to the management of the trust fund. The trust fund
15 shall be an expendable trust not subject to appropriation.

16 (b) The purpose of said fund shall be for depositing, investing
17 and disbursing amounts set aside solely to meet liabilities of the
18 state retirement system for health care and other non-pension ben-
19 efits for retired members of the system. There shall be credited to
20 the trust fund any revenue from appropriations or other monies
21 authorized by the general court and specifically designated to be
22 credited to the trust fund, and any gifts, grants, private contribu-
23 tions, investment income earned on the trust fund's assets and all
24 other sources. Money remaining in the fund at the end of a fiscal
25 year shall not revert to the General Fund.

26 (c) Upon request of the group insurance commission, the board
27 may expend amounts in the trust fund, without further appropria-
28 tion, to pay the costs of health care and other non-pension benefits
29 for retired members of the state retirement system; provided, how-
30 ever, that said group insurance commission shall remain responsi-
31 ble for administering the payment of, and determining the terms,
32 conditions, schedule of benefits, carriers and eligibility for, health

33 care and other non-pension benefits for retired members of the
34 state retirement system.

35 (d) Upon authorization by the board, any other retirement
36 system of the commonwealth may participate in the fund using the
37 same procedures required for participation in the pension reserves
38 investment trust fund pursuant to section 22 of chapter 32.

39 (e) The fund shall be revocable only when all such health care
40 and other non-pension benefits, current and future, payable pur-
41 suant to this chapter have been paid or defeased.

1 SECTION 8A. Subsection (c) of section 1 of chapter 62 of the
2 General Laws as amended by section 10 of chapter 58 of the acts
3 of 2006 is hereby amended by inserting after the figure “72” the
4 following figure:— , 112”.

1 SECTION 8B. The definition of “Real estate tax payment” of
2 subsection (k) of section 6 of said chapter 62, as appearing in the
3 2004 Official Edition, is hereby amended by adding the follow-
4 ing:— The real estate tax payment to be considered for purposes
5 of calculating this credit shall also include 50 percent of the own-
6 er’s home heating oil, natural gas, or propane, actually paid in the
7 taxable year for which the credit is sought.

8 Notwithstanding any special or general law to the contrary, the
9 provisions of this section shall not take effect until such time as
10 the department of revenue has furnished a study of their impact on
11 the state’s economy and the revenue cost to the commonwealth
12 and its cities and towns, including, but not limited to, a distribu-
13 tional analysis showing the impact on taxpayers of varying
14 income levels, the current practice of other states, any anticipated
15 change in employment, and ancillary economic activity, to the
16 joint committee on revenue.

1 SECTION 8C. The definition of “Rent constituting real estate tax
2 payment” of said subsection (k) of said section 6 of said chapter 62,
3 as so appearing, is hereby amended by adding the following:—

4 The rent constituting real estate tax payment to be considered for
5 purposes of calculating this credit shall also include 50 percent of
6 the owner’s home heating oil, natural gas, or propane, actually paid
7 in the taxable year for which the credit is sought.

8 Pending the question on adoption of the amendment, Mr. Binienda
9 of Worcester moved to amend it by adding at the end of proposed
10 sections 8A and 8B the following paragraph:—

11 Notwithstanding any general or special law to the contrary, the
12 provisions of this section shall not take effect until such time as
13 the department of revenue has furnished a study of their impact
14 on the state's economy and the revenue cost to the commonwealth
15 and its cities and towns, including, but not limited to, a distributional
16 analysis showing the impact on taxpayers of varying income levels,
17 the current practice of other states, any anticipated change in
18 employment, and ancillary economic activity, to the joint committee
19 on revenue.”.

1 SECTION 9. Section 9A of chapter 118E of the General Laws,
2 as most recently amended by section 17 of chapter 324 of the acts
3 of 2006, is hereby further amended by adding the following sub-
4 section:—

5 (16) The division shall enroll MassHealth members in available
6 employer-sponsored health insurance if that insurance meets the
7 criteria for MassHealth payment of premium assistance, and if
8 federal approval will be obtained to ensure federal reimbursement
9 for premium assistance for that insurance.

1 SECTION 10. Said chapter 118E is hereby further amended by
2 striking out section 23, as amended by section 28 of chapter 58 of
3 the acts of 2006, and inserting in place thereof the following
4 section:—

5 Section 23. As used in this section, health care insurer, health
6 insurer and health insurance shall include, but not be limited to,
7 any health insurance company, health maintenance organization,
8 group or non group health plan, self-insured plan, service benefit
9 plan, managed care organization, pharmacy benefit manager, or
10 other public or private third party that is, by statute, contract,
11 agreement, or arrangement legally responsible for payment of a
12 claim for health care benefits.

13 Notwithstanding any general or special law, rule or regulation
14 to the contrary, the division shall be subrogated to the rights of
15 any recipient of medical assistance pursuant to this chapter and
16 may take any and all actions available to such recipient to secure

17 benefits under any policy issued by any health care insurer that is
18 or may be liable to pay for health care benefits obtained by a
19 recipient of medical assistance to the extent of any health care
20 benefits provided by the division on behalf of said recipient or
21 said recipient's dependents. A health care insurer shall reimburse
22 the division for any health care benefits provided by the division
23 on behalf of a recipient of medical assistance, and shall not reduce
24 the amount of the total reimbursement by any division payment,
25 provided that any part of the total that is a reimbursement for a
26 division payment shall not exceed the amount actually paid by the
27 division.

28 No health care insurer shall require written authorization from
29 the recipient before honoring the division's rights pursuant to this
30 section. A health care insurer shall respond to any inquiry by the
31 division about a claim for payment for any health care benefits
32 and may not deny any claim for payment for any health care bene-
33 fits solely on the basis of the date of submission of the claim, the
34 type of format for the claim form, or a failure to present proper
35 documentation at the point of sale that is the basis of the claim, if
36 the claim is submitted by the division within a 3 year period
37 beginning on the date on which the service was furnished, and if
38 any action by the division to enforce its rights with respect to a
39 claim is filed within 6 years after the submission of the claim to
40 the health insurer.

41 A recipient of medical assistance or any person legally oblig-
42 ated to support and have actual or legal custody of a recipient of
43 medical assistance shall inform the division of any health insur-
44 ance available to such recipient upon initial application and rede-
45 termination for eligibility for assistance and shall make known the
46 nature and extent of any health insurance coverage to any person
47 or institution that provides medical benefits to the recipient or his
48 dependent.

49 A health care insurer shall not take into account that an individ-
50 ual is eligible for or is receiving benefits from the division when
51 enrolling an individual or issuing a policy or agreement covering
52 the individual, or administering or renewing a policy or agree-
53 ment, or when making any payment for health care benefits to the
54 individual or on behalf of the individual; nor shall any policy or
55 agreement issued, administered, or renewed by a health care

56 insurer contain any provision denying or reducing health care ben-
57 efits to an individual who is eligible for or is receiving benefits
58 from the division.

59 A provider of medical assistance pursuant to this chapter shall
60 determine whether any recipient for whom it provides medical
61 care or services which are or may be eligible for reimbursement
62 pursuant to this chapter is a subscriber or beneficiary of a health
63 insurance plan. The division shall be the payor of last resort and a
64 provider shall request payment for medical care or services it pro-
65 vides from a health insurer which is or may be liable for the med-
66 ical care or services so provided prior to requesting payment from
67 the division.

68 Payment by the division pursuant to the medical assistance
69 programs established pursuant to this chapter shall constitute pay-
70 ment in full; subsequent to any such payment a provider may not
71 recover from any health insurer an amount greater than the
72 amount so paid by the division for any service for which the divi-
73 sion is to be the payor of last resort.

74 Notwithstanding any general or special law or rule or regula-
75 tion to the contrary, all holders of health insurance information,
76 including, but not limited to, health insurers doing business in the
77 commonwealth, all private and public entities who employ indi-
78 viduals in the commonwealth, and all agencies of the common-
79 wealth, shall provide sufficient information to the division, or in
80 the case of those agencies, shall make other arrangements mutu-
81 ally satisfactory to both agencies, to enable the division: (a) to
82 identify whether any of the following persons are or could be ben-
83 efiiciaries under any policy of insurance in the commonwealth:
84 (i) persons applying for or receiving medical assistance or benefits
85 pursuant to this chapter or health services through an agency
86 under the executive office of health and human services, and
87 (ii) persons for whom hospitals and community health centers
88 claim reimbursement payments from the Health Safety Net Fund,
89 established pursuant to section 35 of chapter 118G; and (b) to
90 determine the nature of the coverage that is or was provided,
91 including cost, scope, terms, periods of coverage, and any identi-
92 fying name, address or number of the policy of insurance. All
93 public and private entities who employ individuals in the com-
94 monwealth shall provide, when requested by any employee apply-

95 ing for or receiving benefits provided by the division, written
96 information to the employee describing the availability of health
97 insurance, if any, provided by or through the employer. The fail-
98 ure of an employer to provide an employee with the information
99 shall not be grounds for denial of benefits by the division.

100 The division may, after notice and opportunity for hearing,
101 garnish the wages, salary, or other employment income of, and
102 shall, with the assistance of the department of revenue pursuant to
103 section 3 of chapter 62D, withhold amounts from state tax refunds
104 to, any person who: (a) is required by court or administrative
105 order to provide coverage of the costs of health services to a child
106 who is eligible for medical assistance pursuant to this chapter; (b)
107 has received payment from a third party for the costs of those
108 services to the child; but (c) has not used the payments to reim-
109 burse either the other parent or guardian of the child or the
110 provider of the services, to the extent necessary to reimburse the
111 division for expenditures for those costs.

1 SECTION 11. Sections 55 to 60, inclusive, of said chapter 118E,
2 inserted by section 30 of said chapter 58, are hereby repealed.

1 SECTION 12. Section 25 of chapter 118G of the General Laws,
2 as appearing in the 2004 Official Edition, is hereby amended by
3 striking out, in lines 24 and 25, the words “Health Care Security
4 Trust Fund established pursuant to chapter 29D” and inserting in
5 place thereof the following words:— General Fund.

1 SECTION 13. Said chapter 118G is hereby further amended by
2 adding the following 6 sections:—

3 Section 34. As used in section 34 to section 39, inclusive, the
4 following words shall, unless the context clearly requires other-
5 wise, have the following meanings:—

6 “Acute hospital”, the teaching hospital of the University of
7 Massachusetts Medical School and any hospital licensed under
8 section 51 of chapter 111 and which contains a majority of med-
9 ical-surgical, pediatric, obstetric and maternity beds, as defined by
10 the department of public health.

11 “Allowable reimbursement”, payment to acute hospitals and
12 community health centers for health services provided to unin-

13 sured patients of the commonwealth under section 39 and any fur-
14 ther regulations promulgated by the office.

15 “Ambulatory surgical center”, a distinct entity that operates
16 exclusively for the purpose of providing surgical services to
17 patients not requiring hospitalization and meets the requirements
18 of the federal Health Care Financing Administration for participa-
19 tion in the Medicare program.

20 “Ambulatory surgical center services”, services described for
21 purposes of the Medicare program under 42 U.S.C.
22 1395k(a)(2)(F)(I). These services include facility services only
23 and do not include surgical procedures.

24 “Bad debt”, an account receivable based on services furnished
25 to a patient which: (i) is regarded as uncollectible, following rea-
26 sonable collection efforts consistent with regulations of the office,
27 which regulations shall allow third party payers to negotiate with
28 hospitals to collect the bad debts of its enrollees; (ii) is charged as
29 a credit loss; (iii) is not the obligation of a governmental unit or
30 the federal government or any agency thereof; and (iv) is not a
31 reimbursable health care service.

32 “Community health center”, a health center operating in confor-
33 mance with the requirements of Section 330 of United States
34 Public Law 95-626, including all community health centers which
35 file cost reports as requested by the division of health care finance
36 and policy.

37 “Critical access services”, those health services which are gen-
38 erally provided only by acute hospitals, as further defined in regu-
39 lations promulgated by the division.

40 “Director”, the director of the health safety net office.

41 “DRG”, a patient classification scheme known as diagnosis
42 related grouping, which provides a means of relating the type of
43 patients a hospital treats, such as its case mix, to the cost incurred
44 by the hospital.

45 “Emergency bad debt”, bad debt resulting from emergency
46 services provided by an acute hospital to an uninsured or underin-
47 sured patient or other individual who has an emergency medical
48 condition that is regarded as uncollectible, following reasonable
49 collection efforts consistent with regulations of the office.

50 “Emergency medical condition”, a medical condition, whether
51 physical or mental, manifesting itself by symptoms of sufficient

52 severity, including severe pain, that the absence of prompt med-
53 ical attention could reasonably be expected by a prudent layperson
54 who possesses an average knowledge of health and medicine to
55 result in placing the health of the person or another person in seri-
56 ous jeopardy, serious impairment to body function or serious dys-
57 function of any body organ or part or, with respect to a pregnant
58 woman, as further defined in section 1867(e)(1)(B) of the Social
59 Security Act, 42 U.S.C. 1295dd(e)(1)(B).

60 “Emergency services”, medically necessary health care services
61 provided to an individual with an emergency medical condition.

62 “Financial requirements”, a hospital’s requirement for revenue
63 which shall include, but not be limited to, reasonable operating,
64 capital and working capital costs, and the reasonable costs associ-
65 ated with changes in medical practice and technology.

66 “Fund”, the Health Safety Net Trust Fund established pursuant
67 to section 36.

68 “Fund fiscal year”, the 12 month period starting in October and
69 ending in September.

70 “Gross patient service revenue”, the total dollar amount of a
71 hospital’s charges for services rendered in a fiscal year.

72 “Health services”, medically necessary inpatient and outpatient
73 services as mandated under Title XIX of the federal Social Secu-
74 rity Act. Health services shall not include: (1) nonmedical services,
75 such as social, educational and vocational services; (2) cosmetic
76 surgery; (3) canceled or missed appointments; (4) telephone conver-
77 sations and consultations; (5) court testimony; (6) research or the
78 provision of experimental or unproven procedures including, but
79 not limited to, treatment related to sex-reassignment surgery and
80 pre-surgery hormone therapy; and (7) the provision of whole
81 blood, but the administrative and processing costs associated with
82 the provision of blood and its derivatives shall be payable.

83 “Office”, the health safety net office established pursuant to
84 section 35.

85 “Payments subject to surcharge”, all amounts paid, directly or
86 indirectly, by surcharge payors to acute hospitals for health serv-
87 ices and ambulatory surgical centers for ambulatory surgical
88 center services; provided, however, that “payments subject to sur-
89 charge” shall not include: (i) payments, settlements and judgments
90 arising out of third party liability claims for bodily injury which
91 are paid under the terms of property or casualty insurance poli-

92 cies; (ii) payments made on behalf of Medicaid recipients, Medi-
93 care beneficiaries or persons enrolled in policies issued under
94 chapter 176K or similar policies issued on a group basis; and pro-
95 vided further, that “payments subject to surcharge” may exclude
96 amounts established pursuant to regulations promulgated by the
97 division for which the costs and efficiency of billing a surcharge
98 payor or enforcing collection of the surcharge from a surcharge
99 payor would not be cost effective.

100 “Pediatric hospital”, an acute care hospital which limits serv-
101 ices primarily to children and which qualifies as exempt from the
102 Medicare Prospective Payment system regulations.

103 “Pediatric specialty unit”, a pediatric unit of an acute care hos-
104 pital in which the ratio of licensed pediatric beds to total licensed
105 hospital beds as of July 1, 1994 exceeded 0.20. In calculating that
106 ratio, licensed pediatric beds shall include the total of all pediatric
107 service beds, and the total of all licensed hospital beds shall
108 include the total of all licensed acute care hospital beds, consistent
109 with Medicare’s acute care hospital reimbursement methodology
110 as put forth in the Provider Reimbursement Manual Part 1,
111 Section 2405.3G.

112 “Private sector charges”, gross patient service revenue attribut-
113 able to all patients less gross patient service revenue attributable
114 to Titles XVIII and XIX, other public-aided patients, reimbursable
115 health services and bad debt.

116 “Reimbursable health services”, health services provided to
117 uninsured and underinsured patients who are determined to be
118 financially unable to pay for their care, in whole or part, under
119 applicable regulations of the office; provided that the health serv-
120 ices are emergency, urgent and critical access services provided by
121 acute hospitals or services provided by community health centers;
122 and provided further, that such services shall not be eligible for
123 reimbursement by any other public or private third-party payer.

124 “Resident”, a person living in the commonwealth, as defined by
125 the office by regulation; provided, however, that such regulation
126 shall not define as a resident a person who moved into the com-
127 monwealth for the sole purpose of securing health insurance under
128 this chapter. Confinement of a person in a nursing home, hospital
129 or other medical institution shall not in and of itself, suffice to
130 qualify such person as a resident.

131 “Surcharge payor”, an individual or entity that pays for or
132 arranges for the purchase of health care services provided by acute
133 hospitals and ambulatory surgical center services provided by
134 ambulatory surgical centers, as defined in this section; provided,
135 however, that the term “surcharge payor” shall not include Title
136 XVIII and Title XIX programs and their beneficiaries or recipi-
137 ents, other governmental programs of public assistance and their
138 beneficiaries or recipients and the workers’ compensation pro-
139 gram established pursuant to chapter 152.

140 “Underinsured patient”, a patient whose health insurance plan
141 or self-insurance health plan does not pay, in whole or in part, for
142 health services that are eligible for reimbursement from the health
143 safety net trust fund, provided that such patient meets income eli-
144 gibility standards set by the office.

145 “Uninsured patient”, a patient who is a resident of the common-
146 wealth, who is not covered by a health insurance plan or a self-
147 insurance health plan and who is not eligible for a medical
148 assistance program.

149 Section 35. (a) There shall be established within the division of
150 health care finance and policy a health safety net office which
151 shall be under the supervision and control of a director. The direc-
152 tor shall be appointed by the commissioner, in consultation with
153 the secretary of health and human services and the Medicaid
154 director, and shall be a person of skill and experience in the field
155 of health care finance and administration. The director shall be the
156 executive and administrative head of the office and shall be
157 responsible for administering and enforcing the provisions of law
158 relative to the office and to each administrative unit thereof. The
159 director shall receive such salary as may be determined by law,
160 and shall devote his full time to the duties of his office. In the case
161 of an absence or vacancy in the office of the director, or in the
162 case of disability as determined by the commissioner, the commis-
163 sioner may designate an acting director to serve as director until
164 the vacancy is filled or the absence or disability ceases. The acting
165 director shall have all the powers and duties of the director and
166 shall have similar qualifications as the director.

167 (b) The office shall have the following powers and duties:—

168 (i) to administer the Health Safety Net Trust Fund, established
169 pursuant to section 36, and to require payments to the fund consis-

170 tent with acute hospitals' and surcharge payors' liability to the
171 fund, as determined pursuant to sections 37 and 38, and any fur-
172 ther regulations promulgated by the office;

173 (ii) to set, after consultation with the office of Medicaid, reim-
174 bursement rates for payments from the fund to acute hospitals and
175 community health centers for reimbursable health services pro-
176 vided to uninsured and underinsured patients and to disburse
177 monies from the fund consistent with such rates; provided that the
178 office shall implement a fee-for-service reimbursement system for
179 acute hospitals;

180 (iii) to promulgate regulations further defining: (a) eligibility
181 criteria for reimbursable health services; (b) the scope of health
182 services that are eligible for reimbursement by the Health Safety
183 Net Trust Fund; (c) standards for medical hardship; and (d) stan-
184 dards for reasonable efforts to collect payments for the costs of
185 emergency care. The office shall implement procedures for verifi-
186 cation of eligibility using the eligibility system of the office of
187 Medicaid and other appropriate sources to determine the eligibil-
188 ity of uninsured and underinsured patients for reimbursable health
189 services and shall establish other procedures to ensure that pay-
190 ments from the fund are made for health services for which there
191 is no other public or private third party payer, including disal-
192 lowance of payments to acute hospitals and community health
193 centers for free care provided to individuals if reimbursement is
194 available from other public or private sources;

195 (iv) to develop programs and guidelines to encourage maximum
196 enrollment of uninsured individuals who receive health services
197 reimbursed by the fund into health care plans and programs of
198 health insurance offered by public and private sources and to pro-
199 mote the delivery of care in the most appropriate setting, provided
200 that the programs and guidelines are developed in consultation
201 with the commonwealth health insurance connector, established
202 pursuant to chapter 176Q. These programs shall not deny pay-
203 ments from the fund because services should have been provided
204 in a more appropriate setting if the hospital was required to pro-
205 vided the services pursuant to 42 U.S.C. 1395 (dd);

206 (v) to conduct a utilization review program designed to monitor
207 the appropriateness of services for which payments were made by
208 the fund and to promote the delivery of care in the most appropri-

209 ate setting; and to administer demonstration programs that reduce
210 health safety net trust fund liability to acute hospitals, including a
211 demonstration program to enable disease management for patients
212 with chronic diseases, substance abuse and psychiatric disorders
213 through enrollment of patients in community health centers and
214 community mental health centers and through coordination
215 between these centers and acute hospitals, provided, that the
216 office shall report the results of these reviews annually to the joint
217 committee on health care financing and the house and senate com-
218 mittees on ways and means;

219 (vi) to administer, in consultation with the office of Medicaid,
220 the Essential Community Provider Trust Fund, established pur-
221 suant to section 2PPP of chapter 29, and to make expenditures
222 from that fund without further appropriation for the purpose of
223 improving and enhancing the ability of acute hospitals and com-
224 munity health centers to serve populations in need more effi-
225 ciently and effectively, including, but not limited to, the ability to
226 provide community-based care, clinical support, care coordination
227 services, disease management services, primary care services, and
228 pharmacy management services through a grant program. The
229 office shall consider applications from acute hospitals and com-
230 munity health centers in awarding the grants. The criteria for
231 selection shall include, but not be limited to, the following: (a) the
232 financial performance of the provider as determined, in the case of
233 applications from acute hospitals, quarterly by the division of
234 health care finance and policy and by consulting other appropriate
235 measurements of financial performance; (b) the percentage of
236 patients with mental or substance abuse disorders served by a
237 provider; (c) the numbers of patients served by a provider who are
238 chronically ill, elderly, or disabled; (d) the payer mix of the
239 provider, with preference given to acute hospitals where a mini-
240 mum of 63 per cent of the acute hospital's gross patient service
241 revenue is attributable to Title XVIII and Title XIX of the federal
242 Social Security Act or other governmental payors, including reim-
243 bursements from the Health Safety Net Trust Fund; (e) the per-
244 centage of total annual operating revenue that funding received in
245 fiscal years 2005 and 2006 from the Distressed Provider Expend-
246 able Trust Fund comprised for the provider; and (f) the cultural
247 and linguistic challenges presented by the populations served by
248 the provider.

249 (vii) to enter into agreements or transactions with any federal,
250 state or municipal agency or other public institution or with a pri-
251 vate individual, partnership, firm, corporation, association or other
252 entity, and to make contracts and execute all instruments neces-
253 sary or convenient for the carrying on of its business;

254 (viii) to secure payment, without imposing undue hardship
255 upon any individual, for unpaid bills owed to acute hospitals by
256 individuals for health services that are ineligible for reimburse-
257 ment from the Health Safety Net Trust Fund which have been
258 accounted for as bad debt by the hospital and which are voluntar-
259 ily referred by a hospital to the department for collection; pro-
260 vided, however that such unpaid charges shall be considered debts
261 owed to the commonwealth and all payments received shall be
262 credited to the fund; and provided, further, that all actions to
263 secure such payments shall be conducted in compliance with a
264 protocol previously submitted by the office to the joint committee
265 on health care financing;

266 (ix) to require hospitals and community health centers to
267 submit to the office data that it reasonably considers necessary;

268 (x) to make, amend and repeal rules and regulations to effectu-
269 ate the efficient use of monies from the Health Safety Net Trust
270 Fund; provided, however, that the regulations shall be promul-
271 gated only after notice and hearing and only upon consultation
272 with the board of the commonwealth health insurance connector,
273 the secretary of health and human services, the director of the
274 office of Medicaid and representatives of the Massachusetts Hos-
275 pital Association, the Massachusetts Council of Community Hos-
276 pitals, the Alliance of Massachusetts Safety Net Hospitals and the
277 Massachusetts League of Community Health Centers; and

278 (xi) to provide an annual report at the close of each fund fiscal
279 year, in consultation with the office of Medicaid, to the joint com-
280 mittee on health care financing and the house and senate commit-
281 tees on ways and means, evaluating the processes used to
282 determine eligibility for reimbursable health services, including
283 the Virtual Gateway, so called. Said report shall include, but not
284 be limited to, the following: (a) an analysis of the effectiveness of
285 these processes in enforcing eligibility requirements for publicly-
286 funded health programs and in enrolling uninsured residents into
287 programs of health insurance offered by public and private

288 sources; (b) an assessment of the impact of these processes on the
289 level of reimbursable health services by providers; and (c) recom-
290 mendations for ongoing improvements that will enhance the per-
291 formance of eligibility determination systems and reduce hospital
292 administrative costs.

293 (c) The office shall enter into an interdepartmental service
294 agreement with the office of Medicaid to develop and implement a
295 plan to achieve the improvements in the operations, management,
296 payment processes and data integrity of the health safety net trust
297 fund, consistent with, but not limited to, the provisions of sub-
298 clauses (ii) through (v) of subsection (b). Said plan shall include,
299 but not be limited to: (i) a review and analysis of free care and
300 emergency bad debt claims submitted in the most recent 3-year
301 period to determine the patterns most appropriate and promising
302 for targeted audits and reviews; (ii) a cost effective approach to
303 maximizing the identification of all sources of third party liability
304 for patients receiving free care or emergency services; (iii) a cost-
305 effective approach to establishing an ongoing claims and utiliza-
306 tion review system for uncompensated care claims that is effective
307 in identifying and disallowing inappropriate claims, but also takes
308 into consideration the practicality of said approach considering
309 the small volume of claims relative to other payers that make rou-
310 tine use of claims and utilization review systems, and (iv) an
311 approach that maximizes the use of existing eligibility determina-
312 tion and review systems, coordination of benefits, claims review
313 and provider integrity systems, ISAs and related program and
314 provider integrity contracts available to the office of Medicaid for
315 achieving the management improvements required under this
316 section. Said plan, and a proposed timeline for implementation of
317 all components of the plan, shall be submitted to the joint commit-
318 tee on health care financing and the house and senate committees
319 on ways and means no later than October 30, 2007. The office and
320 the office of Medicaid shall jointly submit a report to joint com-
321 mittee on health care financing and the house and senate commit-
322 tees on ways and means no later than March 15, 2009, outlining
323 the results of the management improvements implemented pur-
324 suant to said plan and provisions of this section and making any
325 necessary recommendations for further improvements and reforms
326 of the health safety net trust fund and its operations.

327 Section 36. (a) There shall be established and set up on the books
328 of the commonwealth a fund to be known as the Health Safety Net
329 Trust Fund, in this section and in sections 37 to 39, inclusive, called
330 the fund, which shall be administered by the office. Expenditures
331 from the fund shall not be subject to appropriation unless otherwise
332 required by law. The purpose of the fund shall be to maintain a
333 health care safety net by reimbursing hospitals and community
334 health centers for a portion of the cost of reimbursable health serv-
335 ices provided to low-income, uninsured or underinsured residents of
336 the commonwealth. The office shall administer the fund using such
337 methods, policies, procedures, standards and criteria that it deems
338 necessary for the proper and efficient operation of the fund and pro-
339 grams funded by it in a manner designed to distribute the fund
340 resources as equitably as possible.

341 (b) The fund shall consist of all amounts paid by acute hospitals
342 and surcharge payors pursuant to sections 37 and 38; all appropri-
343 ations for the purpose of payments to acute hospitals or commu-
344 nity health centers for health services provided to uninsured and
345 underinsured residents; any transfers from the Commonwealth
346 Care Trust Fund, established pursuant to section 2000 of chap-
347 ter 29; and all property and securities acquired by and through the
348 use of monies belonging to the fund and all interest thereon.
349 Amounts placed in the fund shall, except for amounts transferred
350 to the Commonwealth Care Trust Fund, be expended by the office
351 for payments to hospitals and community health centers for reim-
352 bursable health services provided to uninsured and underinsured
353 residents of the commonwealth, consistent with the requirements
354 of this section and section 39 and the regulations promulgated by
355 the office; provided, however, that \$6,000,000 shall be expended
356 annually from the fund for demonstration projects that use case
357 management and other methods to reduce the liability of the fund
358 to acute hospitals. Any annual balance remaining in the fund after
359 these payments have been made shall be transferred to the Com-
360 monwealth Care Trust Fund. All interest earned on the amounts in
361 the fund shall be deposited or retained in the fund. The director
362 shall from time to time requisition from the fund amounts that he
363 considers necessary to meet the current obligations of the office
364 for the purposes of the fund and estimated obligations for a rea-
365 sonable future period.

366 Section 37. (a) An acute hospital's liability to the fund shall
367 equal the product of (1) the ratio of its private sector charges to all
368 acute hospitals' private sector charges; and (2) \$160,000,000.
369 Annually, prior to October 1, the office, in consultation with the
370 office of Medicaid, shall establish each acute hospital's liability to
371 the fund using the best data available, as determined by the divi-
372 sion, and shall update each acute hospital's liability to the fund as
373 updated information becomes available. The office shall specify
374 by regulation an appropriate mechanism for interim determination
375 and payment of an acute hospital's liability to the fund. An acute
376 hospital's liability to the fund shall in the case of a transfer of
377 ownership be assumed by the successor in interest to the acute
378 hospital.

379 (b) The office shall establish by regulation an appropriate
380 mechanism for enforcing an acute hospital's liability to the fund
381 in the event that an acute hospital does not make a scheduled pay-
382 ment to the fund. These enforcement mechanisms may include
383 (1) notification to the office of Medicaid requiring an offset of
384 payments on the Title XIX claims of any such acute hospital or
385 any health care provider under common ownership with the acute
386 care hospital or any successor in interest to the acute hospital, and
387 (2) the withholding by the office of Medicaid of the amount of
388 payment owed to the fund, including any interest and late fees,
389 and the transfer of the withheld funds into the fund. If the office
390 of Medicaid offsets claims payments as ordered by the office, it
391 shall not be considered to be in breach of contract or any other
392 obligation for the payment of non-contracted services, and providers
393 whose payment is offset pursuant to an order of the division shall
394 serve all Title XIX recipients under the contract then in effect with
395 the office of Medicaid, or, in the case of a non-contracting or dis-
396 proportionate share hospital, under its obligation for providing
397 services to Title XIX recipients pursuant to this chapter. In no
398 event shall the office direct the office of Medicaid to offset claims
399 unless an acute hospital has maintained an outstanding obligation
400 to the fund for a period longer than 45 days and has received
401 proper notice that the division intends to initiate enforcement
402 actions pursuant to regulations promulgated by the office.

403 Section 38. (a) Acute hospitals and ambulatory surgical centers
404 shall assess a surcharge on all payments subject to surcharge. The

405 surcharge shall be distinct from any other amount paid by a sur-
406 charge payor for the services of an acute hospital or ambulatory
407 surgical center. The surcharge amount shall equal the product of
408 (i) the surcharge percentage and (ii) amounts paid for these serv-
409 ices by a surcharge payor. The office shall calculate the surcharge
410 percentage by dividing \$160,000,000 by the projected annual
411 aggregate payments subject to the surcharge. The office shall
412 determine the surcharge percentage before the start of each fund
413 fiscal year and may redetermine the surcharge percentage before
414 April 1 of each fund fiscal year if the office projects that the ini-
415 tial surcharge established the previous October will produce less
416 than \$150,000,000 or more than \$170,000,000. Before each suc-
417 ceeding October 1, the office shall redetermine the surcharge per-
418 centage incorporating any adjustments from earlier years. In each
419 determination or redetermination of the surcharge percentage, the
420 office shall use the best data available as determined by the divi-
421 sion and may consider the effect on projected surcharge payments
422 of any modified or waived enforcement pursuant to subsection (e).
423 The office shall incorporate all adjustments, including, but not
424 limited to, updates or corrections or final settlement amounts, by
425 prospective adjustment rather than by retrospective payments or
426 assessments.

427 (b) Each acute hospital and ambulatory surgical center shall bill
428 a surcharge payor an amount equal to the surcharge described in
429 subsection (a) as a separate and identifiable amount distinct from
430 any amount paid by a surcharge payor for acute hospital or ambu-
431 latory surgical center services. Each surcharge payor shall pay the
432 surcharge amount to the office for deposit in the Health Safety Net
433 Trust Fund on behalf of said acute hospital or ambulatory surgical
434 center. Upon the written request of a surcharge payor, the office
435 may implement another billing or collection method for the sur-
436 charge payor; provided, however, that the office has received all
437 information that it requests which is necessary to implement such
438 billing or collection method; and provided further, that the office
439 shall specify by regulation the criteria for reviewing and approv-
440 ing such requests and the elements of such alternative method
441 or methods.

442 (c) The office shall specify by regulation appropriate mechanisms
443 that provide for determination and payment of a surcharge payor's

444 liability, including requirements for data to be submitted by sur-
445 charge payors, acute hospitals and ambulatory surgical centers.

446 (d) A surcharge payor's liability to the fund shall in the case of
447 a transfer of ownership be assumed by the successor in interest to
448 the surcharge payor.

449 (e) The office shall establish by regulation an appropriate
450 mechanism for enforcing a surcharge payor's liability to the fund
451 if a surcharge payor does not make a scheduled payment to the
452 fund; provided, however, that the office may, for the purpose of
453 administrative simplicity, establish threshold liability amounts
454 below which enforcement may be modified or waived. Such
455 enforcement mechanism may include assessment of interest on the
456 unpaid liability at a rate not to exceed an annual percentage rate
457 of 18 per cent and late fees or penalties at a rate not to exceed
458 5 per cent per month. Such enforcement mechanism may also
459 include notification to the office of Medicaid requiring an offset of
460 payments on the claims of the surcharge payor, any entity under
461 common ownership or any successor in interest to the surcharge
462 payor, from the office of Medicaid in the amount of payment
463 owed to the fund including any interest and penalties, and to
464 transfer the withheld funds into said fund. If the office of Medic-
465 aid offsets claims payments as ordered by the office, the office of
466 Medicaid shall be considered not to be in breach of contract or any
467 other obligation for payment of non-contracted services, and a sur-
468 charge payor whose payment is offset pursuant to an order of the
469 division shall serve all Title XIX recipients under the contract then
470 in effect with the executive office of health and human services.
471 In no event shall the office direct the office of Medicaid to offset
472 claims unless the surcharge payor has maintained an outstanding lia-
473 bility to the fund for a period longer than 45 days and has received
474 proper notice that the office intends to initiate enforcement actions
475 pursuant to regulations promulgated by the office.

476 (f) If a surcharge payor fails to file any data, statistics or sched-
477 ules or other information required pursuant to this chapter or by
478 any regulation promulgated by the office, the office shall provide
479 written notice to the payor. If a surcharge payor fails to provide
480 required information within 10 days after the receipt of written
481 notice, or falsifies the same, he shall be subject to a civil penalty
482 of not more than \$5,000 for each day on which the violation

483 occurs or continues, which penalty may be assessed in an action
484 brought on behalf of the commonwealth in any court of competent
485 jurisdiction. The attorney general shall bring any appropriate
486 action, including injunctive relief, that may be necessary for the
487 enforcement of this chapter.

488 Section 39. (a) Reimbursements from the fund to hospitals and
489 community health centers for health services provided to unin-
490 insured individuals shall be subject to further rules and regulations
491 promulgated by the office and shall be made in the following
492 manner: (1) reimbursements made to acute hospitals shall be
493 based on actual claims for health services provided to uninsured
494 and underinsured patients that are submitted to the office, and
495 shall be made only after determination that the claim is eligible
496 for reimbursement pursuant to this chapter and any additional reg-
497 ulations promulgated by the office. Reimbursements for health
498 services provided to residents of other states and foreign countries
499 shall be prohibited, and the office shall make payments to acute
500 hospitals using fee-for-service rates calculated as provided in
501 paragraph (4) and (6). (2) The office shall, in consultation with the
502 office of Medicaid, develop and implement procedures to verify
503 the eligibility of individuals for whom health services are billed to
504 the fund and to ensure that other coverage options are used fully
505 before services are billed to the fund, including procedures
506 adopted pursuant to section 36. The office shall review all claims
507 billed to the fund to determine whether the patient is eligible for
508 medical assistance pursuant to the provisions of this chapter and
509 whether any third party is financially responsible for the costs of
510 care provided to the patient. In making these determinations, the
511 office shall verify the insurance status of each individual for
512 whom a claim is made using all sources of data available to the
513 office. The office shall refuse to allow payments or shall disallow
514 payments to acute hospitals and community health centers for free
515 care provided to individuals if reimbursement is available from
516 other public or private sources; provided, however, that payments
517 shall not be denied from the fund because services should have
518 been provided in a more appropriate setting if the hospital was
519 required to provide these services pursuant to 42 U.S.C. 1395(dd).

520 (3) The office shall require acute hospitals and community
521 health centers to screen each applicant for reimbursed care for

522 other sources of coverage and for potential eligibility for govern-
523 ment programs, and to document the results of that screening. If
524 an acute hospital or community health center determines that an
525 applicant is potentially eligible for Medicaid or for the common-
526 wealth care health insurance program, established pursuant to
527 chapter 118H, or another assistance program, the acute hospital or
528 community health center shall assist the applicant in applying for
529 benefits under that program. The office shall audit the accounts of
530 acute hospitals and community health centers to determine com-
531 pliance with this section and shall deny payments from the fund
532 for any acute hospital or community health center that fails to
533 document compliance with this section;

534 (4) For the purposes of paying community health centers for
535 health services provided to uninsured individuals pursuant to this
536 section, the office shall pay community health centers a base rate
537 that shall be no less than the then-current Medicare Federally
538 Qualified Health Center rate as required pursuant to 42 U.S.C.
539 13951(a)(3), and the office shall add payments for additional serv-
540 ices not included in the base rate, including, but not limited to,
541 EPSDT services, 340B pharmacy, urgent care, and emergency
542 room diversion services.

543 (5) Reimbursements to acute hospitals and community health
544 centers for bad debt shall be made upon submission of evidence,
545 in a form to be determined by the office, that reasonable efforts to
546 collect the debt have been made;

547 (6) The office shall reimburse acute hospitals for health serv-
548 ices provided to individuals based on the payment systems in
549 effect for acute hospitals used by the United States Department of
550 Health and Human Services Centers for Medicare & Medicaid
551 Services to administer the Medicare Program pursuant to Title
552 XVIII of the Social Security Act, including all of Medicare's
553 adjustments for direct and indirect graduate medical education,
554 disproportionate share, outliers, organ acquisition, bad debt, new
555 technology and capital and the full amount of the annual increase
556 in the Medicare hospital market basket index. The office shall, in
557 consultation with the office of Medicaid and the Massachusetts
558 Hospital Association, promulgate regulations necessary to modify
559 these payment systems to account for: (i) the differences between
560 the program administered by the office and the Title XVIII

561 Medicare program, including the services and benefits covered;
562 (ii) grouper and DRG relative weights for purposes of calculating
563 the payment rates to reimburse acute hospitals at rates no less than
564 the rates they are reimbursed by Medicare; (iii) the extent and
565 duration of covered services; (iv) the populations served; and
566 (v) any other adjustments to the payment methodology pursuant to
567 this section as considered necessary by the office, based upon cir-
568 cumstances of individual hospitals.

569 Following implementation of this section, the office shall
570 ensure that the allowable reimbursement rates pursuant to this
571 section for health services provided to uninsured individuals shall
572 not thereafter be less than rates of payment for comparable serv-
573 ices pursuant to the Medicare program, taking into account the
574 adjustments required by this section.

575 (b) By April 1 of the year preceding the start of the fund fiscal
576 year, the office shall, after consultation with the office of Medic-
577 aid, and using the best data available, provide an estimate of the
578 projected total reimbursable health services provided by acute
579 hospitals and community health centers and emergency bad debt
580 costs, the total funding available, and any projected shortfall after
581 adjusting for reimbursement payments to community health cen-
582 ters. If a shortfall in revenue exists in any fund fiscal year to cover
583 projected costs for reimbursement of health services, the office
584 shall allocate that shortfall in a manner that reflects each hospi-
585 tal's proportional financial requirement for reimbursements from
586 the fund, including, but not limited to, the establishment of a grad-
587 uated reimbursement system and pursuant to any additional regu-
588 lations promulgated by the office.

589 (c) The executive office of health and human services directly
590 or through the division shall enter into interagency agreements
591 with the department of revenue to verify income data for patients
592 whose health care services are reimbursed by the Health Safety
593 Net Trust Fund and to recover payments made by the fund for
594 services provided to individuals who are ineligible to receive
595 reimbursable health services or on whose behalf the fund has paid
596 for emergency bad debt. The division shall promulgate regulations
597 requiring acute hospitals to submit data that will enable the
598 department of revenue to pursue recoveries from individuals who
599 are ineligible for reimbursed health services and on whose behalf

600 the fund has made payments to acute hospitals for emergency bad
601 debt. Any amounts recovered shall be deposited in the Health
602 Safety Net Trust Fund, established pursuant to section 36.

603 (d) The office shall not at any time make payments from the
604 fund for any period in excess of amounts that have been paid into
605 or are available in the fund for that period, but the office may tem-
606 porarily prorate payments from the fund for cash flow purposes.

1 SECTION 14. Chapter 159B of the General Laws is hereby
2 amended by striking out section 10, as appearing in the 2004
3 Official Edition, and inserting in place thereof the following
4 section:—

5 Section 10. Each interstate carrier by motor vehicle transport-
6 ing over the ways within the commonwealth for compensation
7 shall register and identify with the department pursuant to the fed-
8 eral Unified Carrier Registration Act of 2005. Each registration
9 shall be accompanied by a fee, the amount of which shall be deter-
10 mined by the board of directors of the federal Unified Carrier
11 Registration Plan.

1 SECTION 15. Section 4 of chapter 161B of the General Laws,
2 as so appearing, is hereby amended by striking, in line 6, the
3 following words: “fourteen; and” and inserting in place thereof
4 the following:— fourteen; provided, further, that no individual
5 shall be appointed as an administrator unless said individual pos-
6 sess senior level management experience in 1 or more of the
7 following areas: engineering, construction, business, public tran-
8 sit, public or private finance, or transportation.

1 SECTION 16 Section 8 of said Chapter 161B of the General
2 Laws, as so appearing, is hereby amended by striking subsection (h)
3 and inserting in place thereof the following new section:—

4 (h) All current expenses of the authority shall be in accordance
5 with an annual budget prepared by the administrator and submit-
6 ted to the advisory board, the secretary, the secretary of adminis-
7 tration and finance, the chairs of the joint committee on
8 transportation, and the chairs of the house and senate committees
9 on ways and means no later than February first of each year for
10 the ensuing fiscal year. On or before June first the advisory board

11 shall approve said budget as submitted or subject it to such itemized
12 reductions therein as the advisory board shall deem appropriate.
13 After the advisory board has approved said budget the secretary of
14 transportation shall approve said budget as submitted. An admin-
15 istrator must receive approval from the secretary for any addi-
16 tional costs after the budget has been approved by the advisory
17 board; provided, however, that any additional costs which the sec-
18 retary may approve shall be assessed at 75 per cent upon the cities
19 and towns constituting the authority and 25 per cent shall be
20 assessed upon the Commonwealth.

1 SECTION 17. Sections 2 of chapter 772 of the acts of 1987 is
2 hereby repealed.

1 SECTION 17A. Section 7 of said chapter 772 is hereby repealed.

1 SECTION 18. Section 7A of chapter 177 of the acts of 2001, as
2 amended by section 13 of chapter 364 of the acts of 2002, is hereby
3 repealed.

1 SECTION 19. Section 80 of said chapter 177 is hereby repealed.

1 SECTION 20. Section 9 of chapter 61 of the acts of 2002 is
2 hereby amended by striking out, in line 1, the figure “2007” and
3 inserting in place thereof the following figure:— 2008.

1 SECTION 21. Chapter 58 of the acts of 2006 is hereby amended
2 by striking out section 128 and inserting in place thereof the follow-
3 ing section:—

4 Section 128. Notwithstanding any general or special law to the
5 contrary except for section 13B of chapter 118E of the General
6 Laws, in fiscal year 2007, \$90,000,000 shall be made available
7 from the Commonwealth Care Trust Fund, established pursuant to
8 section 2000 of chapter 29 of the General Laws, to pay for an
9 increase in the Medicaid rates paid to acute hospitals, as defined
10 in section 1 of chapter 118G of the General Laws, and physicians,
11 provided that not less than 15 per cent of the increase shall be
12 allocated to rate increases for physicians; provided further, that for
13 fiscal year 2008, an additional \$90,000,000, for a total of

14 \$180,000,000, shall be made available from the Commonwealth
15 Care Trust Fund in accordance with the provisions of this section,
16 to pay for an increase in the Medicaid rates paid to acute hospi-
17 tals, as defined in section 1 of said chapter 118G, and physicians,
18 provided that not less than 15 per cent of the increase shall be
19 allocated to rate increases for physicians. In fiscal year 2009, an
20 additional \$90,000,000, for a total of \$270,000,000, shall be made
21 available to pay for an increase in the Medicaid rates paid to acute
22 hospitals, as defined in said section 1 of said chapter 118G, and
23 physicians, provided that not less than 15 per cent of the increase
24 be allocated to rate increases for physicians. For purposes of pay-
25 ments to hospital pursuant to this section, fiscal year shall mean
25 the hospital fiscal year, and for purposes of any payments to
27 physicians pursuant to this section, fiscal year shall mean the state
28 fiscal year.

1 SECTION 22. Notwithstanding any general or special law to
2 the contrary, the comptroller, in consultation with the secretary of
3 health and human services, shall develop a schedule for transfer-
4 ring not less than \$28,000,000 from the General Fund to the
5 Essential Community Provider Trust Fund established pursuant to
6 section 2PPP of chapter 29 of the General Laws for the purpose of
7 making payments to hospitals and community health centers in
8 fiscal year 2008. The secretary shall authorize expenditures from
9 the fund without further appropriation for the purpose of a grant
10 program to improve and enhance the ability of hospitals and com-
11 munity health centers to serve populations in need, more effi-
12 ciently and effectively, including, but not limited to, the ability to
13 provide community-based care, clinical support, care coordination
14 services, disease management services, primary care services and
15 pharmacy management services through a grant program. The
16 office shall consider applications from acute hospitals, non-acute
17 hospitals, and community health centers in awarding the grants;
18 provided, however, that the office shall publicize the existence of
19 the grant program to eligible providers and shall award grants on
20 or before September 1, 2007. The criteria for selection shall
21 include, but not be limited to, the following: (i) financial perfor-
22 mance measures including negative operating margins, insuffi-
23 cient cash flow, technical bond default and the uncertain ability to

24 cover long-term obligations, as well as potential for loss of critical
25 community services; (ii) the percentage of patients with mental or
26 substance abuse disorders served by a provider; (iii) the numbers
27 of patients served by a provider who are chronically ill, elderly, or
28 disabled, provided that in the case of a community health center,
29 that preference be given to the provision of a Program of All-
30 Inclusive Care for the Elderly; (iv) the payer mix of the provider,
31 with preference given to acute hospitals where a minimum of
32 63 per cent of the acute hospital's gross patient service revenue is
33 attributable to Title XVIII and Title XIX of the federal Social
34 Security Act or other governmental payors, including reimburse-
35 ments from the Health Safety Net Trust Fund; (v) the percentage
36 of total annual operating revenue that received funding in fiscal
37 years 2005 and 2006 from the Distressed Provider Expendable
38 Trust Fund comprised for the provider; (vi) the percentage of
39 total annual operating revenue that received funding in fiscal year
40 2007 from the Essential Community Provided Trust Fund estab-
41 lished pursuant to section 36 of chapter 118G of the General Laws;
42 (vii) the cultural and linguistic challenges presented by the popu-
43 lations served by the provider; (viii) a documented critical need
44 for investment in information technology such as Computerized
45 Physician Order Entry systems but without access to capital to
46 finance such investments; and (ix) the provision by a community
47 health center of 24 hour emergency services.

48 The secretary may further authorize distributions on an emer-
49 gency basis to acute hospitals, non-acute hospitals and community
50 health centers facing extreme financial distress or closure upon
51 petition from the provider. The emergency funds shall be distrib-
52 uted by the secretary within 2 weeks of petition by a provider that
53 is determined to be facing extreme financial distress or closure at
54 an amount determined by the secretary.

1 SECTION 23. Notwithstanding any general or special law to
2 the contrary, the comptroller shall, in consultation with the state
3 treasurer, the secretary of administration and finance and the sec-
4 retary of health and human services, develop a schedule for trans-
5 ferring funds among the General Fund, the Commonwealth Care
6 Trust Fund established pursuant to section 2000 of chapter 29 of
7 the General Laws and the Health Safety Net Trust Fund estab-

8 lished pursuant to section 36 of chapter 118G of the General Laws.
9 Not less than \$628,800,000 shall be transferred from the General
10 Fund to the Commonwealth Care Trust Fund and not less than
11 \$33,900,000 shall be transferred from the Commonwealth Care
12 Trust Fund to the Health Safety Net Trust Fund; provided further,
13 that the executive office of health and human services shall make
14 expenditures required for fiscal year 2008 pursuant to section 122
15 of chapter 58 of the acts of 2006. The schedule shall provide for
16 transfers in increments considered appropriate to meet the cash
17 flow needs of these funds. The transfers shall not begin before
18 July 1, 2007 and shall be completed on or before June 30, 2008.
19 The secretary of administration and finance, in consultation with
20 the secretary of health and human services and the executive
21 director of the commonwealth health insurance connector, shall on
22 a quarterly basis evaluate the revenue needs of the health safety
23 net program funded by the Health Safety Net Trust Fund and the
24 Commonwealth Care subsidized health insurance program funded
25 from the Commonwealth Care Trust Fund, and if necessary, trans-
26 fer monies between these funds for the purpose of ensuring that
27 sufficient revenues are available to support projected program
28 expenditures. The secretary of health and human services in con-
29 sultation with the secretary of administration and finance and the
30 executive director of the commonwealth health insurance connec-
31 tor shall submit a quarterly report to the house and senate commit-
32 tees on ways and means and joint committee on healthcare
33 financing which shall include, but not be limited to, the projected
34 and actual expenditures and revenues for the Commonwealth Care
35 Trust Fund and any transfers made between the Health Safety Net
36 Trust Fund and the Commonwealth Care Trust Fund.

37 Notwithstanding any general or special law to the contrary, on or
38 before October 1, 2007 and without further appropriation, the comp-
39 troller shall transfer from the General Fund to the Health Safety Net
40 Trust Fund established pursuant to section 36 of chapter 118G of the
41 General Laws, an amount not to exceed \$45,000,000 for the purpose
42 of making initial gross payments to qualifying acute care hospitals
43 and community health centers for the hospital fiscal year beginning
44 October 1, 2007. These payments shall be made to hospitals before,
45 and in anticipation of, the payment by hospitals of their gross liabil-
46 ity to this fund. The comptroller shall transfer from this fund to the

47 General Fund not later than June 30, 2008, the amount of the trans-
48 fer authorized in this section and any allocation of that amount as
49 certified by the director of the health safety net office.

1 SECTION 24. Notwithstanding any general or special law to
2 the contrary, the comptroller shall, in consultation with the office
3 of the state treasurer, the executive office for administration and
4 finance, and the executive office of health and human services,
5 develop a schedule and make a series of transfers not to exceed
6 \$346,000,000 from the General Fund to the MassHealth provider
7 payment account in the Medical Assistance Trust Fund established
8 pursuant to section 2QQQ of chapter 29 of the General Laws. Any
9 increase in payment made from said trust that results in the cumu-
10 lative payments from said trust totaling an amount greater than
11 \$251,000,000 in fiscal year 2008 shall be made only after: (i) the
12 provisions of sections 130 and 131 of chapter 58 of the Acts of
13 2006 have been satisfied; and (ii) the secretary of the executive
14 office of health and human services certifies that any said increase
15 in payments from said trust shall not exceed the negotiated limit
16 for section 1115 waiver spending. The secretary of health and
17 human services shall notify, in writing, the house and senate com-
18 mittees on ways and means and joint committee on healthcare
19 financing of said certification within 15 days.

1 SECTION 25. Notwithstanding any general or special law to
2 the contrary, not less than 10 days after the effective date of this
3 act, the comptroller shall transfer \$10,000,000 from the General
4 Fund to the Massachusetts Cultural Facilities Fund established
5 pursuant to section 42 of chapter 23G of the General Laws.

1 SECTION 26. Notwithstanding any general or special law to
2 the contrary, the comptroller shall, according to a schedule devel-
3 oped in consultation with the state treasurer and the secretary of
4 administration and finance, transfer \$345,053,006 from the
5 General Fund to the State Retiree Benefits Trust Fund established
6 pursuant to section 24 of chapter 32A of the General Laws.

1 SECTION 27. Notwithstanding any general or special law to
2 the contrary, the comptroller shall, no later than June 30, 2008,

3 transfer \$325,000,000 to the General Fund from the Common-
4 wealth Stabilization Fund established pursuant to section 2H of
5 chapter 29 of the General Laws.

1 SECTION 28. Notwithstanding any general or special law to
2 the contrary, during fiscal year 2008 the comptroller shall not
3 transfer 0.5 per cent of the total revenue from taxes in the preced-
4 ing fiscal year to the Commonwealth Stabilization Fund as other-
5 wise required pursuant to clause (a) of section 5C of chapter 29 of
6 the General Laws.

1 SECTION 29. Notwithstanding any general or special law to the
2 contrary, the comptroller shall, on or before June 30, 2008, transfer
3 from the Commonwealth Stabilization Fund to the General Fund the
4 lesser of: (1) the interest paid on the Commonwealth Stabilization
5 Fund during fiscal year 2008, or (2) \$75,000,000.

1 SECTION 30. Notwithstanding any general or special law to
2 the contrary, the comptroller shall not less than 10 days after the
3 effective date of this act, transfer \$150,000,000 to the General
4 Fund from the Health Care Security Trust Fund established pur-
5 suant to section 1 of chapter 29D of the General Laws.

1 SECTION 31. Notwithstanding any general or special law to
2 the contrary, no later than June 30, 2008 the comptroller shall
3 transfer the balance in the Health Care Quality Improvement Trust
4 Fund established pursuant to section 2EEE of chapter 29 of the
5 General Laws, to the General Fund.

1 SECTION 32. Notwithstanding any general or special law to
2 the contrary, during fiscal year 2008, the comptroller shall transfer
3 from the Health Care Security Trust established pursuant to
4 section 1 of chapter 29D of the General Laws to the General Fund
5 an amount equal to 100 per cent of the total of all payments
6 received by the commonwealth in fiscal year 2008 pursuant to the
7 master settlement agreement in the action known as Common-
8 wealth of Massachusetts v. Phillip Morris, Inc. et. al., Middlesex
9 Superior Court, No. 95-7378 and 100 per cent of the earnings gen-
10 erated in fiscal year 2008 from the Health Care Security Trust as

11 certified by the comptroller pursuant to paragraph (f) of section 3
12 of chapter 29D of the General Laws for certain health care expen-
13 ditures appropriated in section 2 of this act.

1 SECTION 33. Notwithstanding any general or special law to
2 the contrary, pension benefits authorized pursuant to chapters 712
3 and 721 of the acts of 1981, chapter 154 of the acts of 1983, chap-
4 ter 67 of the acts of 1988, and chapter 621 of the acts of 1989, for
5 the compensation of veterans who may be retired by the state
6 board of retirement, including individuals formerly in the service
7 of the division of employment security whose compensation for
8 that service was paid in full from a grant from the federal govern-
9 ment and for the cost of medical examinations in connection
10 therewith, for pensions of retired judges or their widows or wid-
11 owers, for retirement allowances of certain employees formerly in
12 the service of the administrative division of the metropolitan dis-
13 trict commission, for retirement allowances of certain veterans
14 and police officers formerly in the service of the metropolitan dis-
15 trict commission, for retirement allowances of certain veterans
16 formerly in the service of the metropolitan sewerage district, for
17 retirement allowances of certain veterans formerly in the service
18 of the metropolitan water system and for annuities for widows or
19 widowers of certain former members of the uniformed branch of
20 the state police shall be funded from the Pension Reserves Invest-
21 ment Trust Fund, established pursuant to subdivision (8) of
22 section 22 of chapter 32 of the General Laws. This section shall
23 continue in effect after June 30, 2008.

1 SECTION 34. Notwithstanding any general or special law to
2 the contrary, the amounts transferred pursuant to paragraph (1) of
3 section 22C of chapter 32 of the General Laws shall be made
4 available for the commonwealth's Pension Liability Fund estab-
5 lished pursuant to section 22 of said chapter 32. The amounts
6 transferred pursuant to said paragraph (1) of said section 22C of
7 said chapter 32 shall meet the commonwealth's obligations pur-
8 suant to said section 22C of said chapter 32, including retirement
9 benefits payable by the state employees' and the state teachers'
10 retirement systems, for the costs associated with a 3 per cent cost-
11 of-living adjustment pursuant to section 102 of said chapter 32,

12 the reimbursement of local retirement systems for previously
13 authorized cost-of-living adjustments pursuant to said section 102
14 of said chapter 32, and for the costs of increased survivor benefits
15 pursuant to chapter 389 of the acts of 1984. The state board of
16 retirement and each city, town, county and district shall verify
17 these costs, subject to the rules adopted by the treasurer. The trea-
18 surer may make payments upon a transfer of funds to reimburse
19 certain cities and towns for pensions to retired teachers, including
20 any other obligations which the commonwealth has assumed on
21 behalf of any retirement system other than the state employees' or
22 state teachers' retirement systems and also including the common-
23 wealth's share of the amounts to be transferred pursuant to sec-
24 tion 22B of said chapter 32 and the amounts to be transferred
25 pursuant to clause (a) of the last paragraph of section 21 of chap-
26 ter 138 of the General Laws. All payments for the purposes
27 described in this section shall be made only pursuant to distribu-
28 tion of monies from the fund, and any distribution and the pay-
29 ments for which distributions are required shall be detailed in a
30 written report filed quarterly by the commissioner of administra-
31 tion with the house and senate committees on ways and means and
32 the joint committee on public service in advance of this distribution.
33 Distributions shall not be made in advance of the date on which a
34 payment is actually to be made. The state board of retirement may
35 expend an amount for the purposes of the board of higher educa-
36 tion's optional retirement program pursuant to section 40 of chapter
37 15A of the General Laws. To the extent that the amount transferred
38 pursuant to paragraph (1) of section 22C of said chapter 32 exceeds
39 the amount necessary to adequately fund the annual pension obliga-
40 tions, the excess amount shall be credited to the Pension Reserves
41 Investment Trust Fund of the commonwealth for the purpose of
42 reducing the unfunded pension liability of the commonwealth.

1 SECTION 35. Notwithstanding any general or special law to
2 the contrary, in the event that any district attorney fails to comply
3 with reporting language relevant to the use of drug forfeiture
4 funds, so called, inserted in line items 0340-0100, 0340-0200,
5 0340-0300, 0340-0400, 0340-0500, 0340-0600, 0340-0700, 0340-
6 0800, 0340-0900, 0340-1000, and 0340-1100 of section 2 of this
7 act, the house and senate committees on ways and means shall

8 notify the state comptroller of such failure to comply. A district
9 attorney may request in writing a reasonable extension of the
10 reporting period from the house and senate committees on ways
11 and means. If such an extension is requested, the house and senate
12 committees on ways and means shall not notify the state comp-
13 troller of a failure to comply with the reporting requirement until
14 the extension period has elapsed. Upon receipt of said notifica-
15 tion, the state comptroller shall make available to the witness pro-
16 tection board, established pursuant to section 2 of chapter 263A of
17 the General Laws, the balance of said district attorney's Special
18 Law Enforcement Trust Fund, established pursuant to section 47
19 of chapter 94C of the General Laws, and any additional money
20 transferred into said trust fund after the reporting date.

1 SECTION 35. (a) Notwithstanding any general or special law
2 to the contrary, upon the request of the board of selectmen in a
3 town, the city council in a plan E city or the mayor in any other
4 city, the department of revenue may recalculate the minimum
5 required local contribution, as defined in section 2 of chapter 70
6 of the General Laws, in the fiscal year ending June 30, 2008.
7 Based on the criteria established in this section, the department
8 shall recalculate the minimum required local contribution for a
9 municipality's local and regional schools and shall certify the
10 amounts calculated to the department of education.

11 (b) A city or town that used qualifying revenue amounts in a
12 fiscal year which will not be available for use in the next fiscal
13 year, or that will be required to use revenues for extraordinary non
14 school-related expenses for which it did not have to use revenues
15 in the preceding fiscal year, or that has an excessive certified
16 municipal revenue growth factor which is also greater than or
17 equal to 1.5 times the state average municipal revenue growth
18 factor, may appeal to the department of revenue on or before
19 October 1, 2007 for an adjustment of its minimum required local
20 contribution and net school spending.

21 (c) If a claim is determined to be valid, the department of rev-
22 enue may reduce proportionately the minimum required local con-
23 tribution amount based on the amount of shortfall in revenue or
24 based on the amount of increase in extraordinary expenditures in
25 the current fiscal year, but no adjustment to the minimum required

26 local contribution on account of an extraordinary expense in the
27 budget for the fiscal year ending on June 30, 2008 shall affect the
28 calculation of the minimum required local contribution in subse-
29 quent fiscal years. Qualifying revenue amounts shall include, but
30 not be limited to, extraordinary amounts of free cash, overlay sur-
31 plus and other available funds.

32 (d) If, upon submission of adequate documentation, the depart-
33 ment of revenue determines that the municipality's claim regard-
34 ing an excessive municipal revenue growth factor is valid, the
35 department shall recalculate the municipal revenue growth factor
36 and the department of education shall use the revised growth
37 factor to calculate the preliminary local contribution, the mini-
38 mum required local contribution and any other factor that directly
39 or indirectly uses the municipal revenue growth factor. Any relief
40 granted as a result of an excessive municipal revenue growth
41 factor shall be a permanent reduction in the minimum required
42 local contribution.

43 (e) The board of selectmen in a town, the city council in a
44 plan E city, the mayor in any other city, or a majority of the
45 member municipalities of a regional school district, which used
46 qualifying revenue amounts in a fiscal year that will not be avail-
47 able for use in the next fiscal year, may appeal to the department
48 of revenue not later than October 1, 2007 for an adjustment to its
49 net school spending requirement. If the claim is determined to be
50 valid, the department of revenue shall reduce the net school
51 spending requirement based on the amount of the shortfall in rev-
52 enue and reduce the minimum required local contribution of
53 member municipalities accordingly. Qualifying revenue amounts
54 shall include, but not be limited to, extraordinary amounts of
55 excess and deficiency, surplus and uncommitted reserves.

56 (f) If the regional school budget has already been adopted by
57 two-thirds of the member municipalities then, upon a majority
58 vote of the member municipalities, the regional school committee
59 shall adjust the assessments of the member municipalities in
60 accordance with the reduction in minimum required local contri-
61 butions approved by the department of revenue or the department
62 of education in accordance with this section.

63 (g) Notwithstanding clause (14) of section 3 of chapter 214 of
64 the General Laws or any other general or special law to the con-

65 trary, the amounts so determined pursuant to this section shall be
66 the minimum required local contribution described in chapter 70
67 of the General Laws. The department of revenue and the depart-
68 ment of education shall notify the house and senate committees on
69 ways and means and the joint committee on education of the
70 amount of any reduction in the minimum required local contribu-
71 tion amount.

72 (h) If a city or town has an approved budget that exceeds the
73 recalculated minimum required local contribution and net school
74 spending amounts for its local school system or its recalculated
75 minimum required local contribution to its regional school dis-
76 tricts as provided by this section, the local appropriating authority
77 shall determine the extent to which the community shall avail
78 itself of any relief authorized pursuant to this section.

79 (i) The amount of financial assistance due from the common-
80 wealth in fiscal year 2008 pursuant to chapter 70 of the General
81 Laws or any other law shall not be changed on account of any
82 redetermination of the minimum required local contribution pur-
83 suant to this section.

84 (j) The department of revenue and the department of education
85 shall issue guidelines for their respective duties pursuant to this
86 section.

1 SECTION 37. Notwithstanding any general or special law to
2 the contrary, in order to maintain the fiscal viability of the subsi-
3 dized catastrophic prescription drug insurance program, here-
4 inafter referred to as the prescription advantage program, authorized
5 by section 39 of chapter 19A of the General Laws, cost sharing
6 required of enrollees in the form of co-payments, premiums and
7 deductibles, or any combination thereof, may be adjusted by the
8 department of elder affairs to reflect price trends for outpatient
9 prescription drugs, as determined by the secretary of elder affairs.
10 In addition to the eligibility requirements set forth in said sec-
11 tion 39 of chapter 19A, to be considered eligible for the prescrip-
12 tion advantage program, individuals who receive Medicare and
13 are applying for, or are then enrolled in, the prescription advan-
14 tage program shall also be enrolled in a Medicare prescription
15 drug plan, a Medicare Advantage prescription drug plan, or in a
16 plan which provides creditable prescription drug coverage as

17 defined by section 104 of the Medicare Prescription Drug Improve-
18 ment and Modernization Act of 2003, hereinafter referred to as
19 MMA, and which provides coverage of the cost of prescription
20 drugs actuarially equal to or better than that provided by Medicare
21 Part D, hereinafter a creditable coverage plan.

22 In addition to the eligibility requirements set forth in said
23 section 39 of chapter 19A, to be considered eligible for the pre-
24 scription advantage program, individuals who receive Medicare
25 and are applying for, or are then enrolled in, the prescription
26 advantage program, who may qualify for the low-income subsidy,
27 so-called, provided pursuant to the MMA Subpart P-Premiums
28 and cost-sharing subsidies for low-income individuals, shall apply
29 for those subsidies. To the extent permitted by MMA and regula-
30 tions promulgated thereunder, and all other applicable federal law,
31 the prescription advantage program may apply on behalf of a
32 member for enrollment into a Medicare prescription drug plan or
33 for the low-income subsidy provided pursuant to MMA and may
34 receive information about the member's eligibility and enrollment
35 status necessary for the operation of the prescription advantage
36 program.

37 For enrollees who qualify for enrollment in a Medicare Part D
38 plan, the prescription advantage program will provide a supple-
39 mental source of financial assistance for prescription drug costs,
40 hereinafter referred to as "supplemental assistance" in lieu of the
41 catastrophic prescription drug coverage provided pursuant to said
42 section 39 of chapter 19A. The prescription advantage program
43 will provide supplemental assistance for premiums, deductibles,
44 payments and co-payments required by a Medicare prescription
45 drug plan or Medicare Advantage prescription drug plan, and will
46 provide supplemental assistance for deductibles, payments and co-
47 payments required by a creditable coverage plan. The department
48 shall establish the amount of the supplemental assistance it will
49 provide enrollees based on a sliding income scale and the cover-
50 age provided by the enrollees' Medicare prescription drug plan,
51 Medicare Advantage prescription drug plan, or creditable cover-
52 age plan. In addition to the eligibility requirements set forth in
53 section 39 of chapter 19A, to be considered eligible for the pre-
54 scription advantage program, an individual must have a household
55 income of less than 500 per cent of the poverty guidelines updated

56 periodically in the Federal Register by the U.S. Department of
57 Health and Human Services pursuant to the authority of 42 U.S.C.
58 9902(2). Residents of the commonwealth who are not eligible for
59 Medicare will continue to be eligible for the prescription advan-
60 tage program pursuant to said section 39 of chapter 19A.

1 SECTION 38. Notwithstanding any general or special law to
2 the contrary, the executive office of health and human services
3 may, pursuant to section 16 of chapter 6A of the General Laws,
4 acting in its capacity as the single state agency pursuant to
5 Title XIX of the Social Security Act and as the principal agency
6 for all of the agencies within the executive office and other feder-
7 ally assisted programs administered by the executive office, enter
8 into interdepartmental services agreements with the University of
9 Massachusetts Medical School to perform activities that the secre-
10 tary, in consultation with the comptroller, determines are appropri-
11 ate and within the scope of the proper administration of Title XIX
12 and other federal funding provisions to support the programs and
13 activities of the executive office. These activities shall include:
14 (1) providing administrative services, including, but not limited
15 to, activities such as providing the medical expertise to support or
16 administer utilization management activities, determining eligibil-
17 ity based on disability, supporting case management activities and
18 similar initiatives; (2) providing consulting services related to
19 quality assurance, program evaluation and development, integrity
20 and soundness and project management; and (3) providing activi-
21 ties and services for the purpose of pursuing federal reimburse-
22 ment or avoiding costs, third party liability and recouping payments
23 to third parties. Federal reimbursement for any expenditures made
24 by the University of Massachusetts Medical School relative to
25 federally reimbursable services the university provides under
26 these interdepartmental service agreements or other contracts with
27 the executive office of health and human services shall be distrib-
28 uted to the university, and recorded distinctly in the state account-
29 ing system. The executive office of health and human services
30 may negotiate contingency fees for activities and services related
31 to the purpose of pursuing federal reimbursement or avoiding
32 costs, and the comptroller shall certify these fees and pay them
33 upon the receipt of this revenue, reimbursement or demonstration

34 of costs avoided. Contracts for contingency fees shall not extend
35 longer than 3 years, and shall not be renewed without prior review
36 and approval from the executive office of administration and
37 finance. The executive office of health and human services shall
38 not pay contingency fees in excess of \$40,000,000 for state fiscal
39 year 2008. The secretary of the executive office of health and
40 human services shall submit to the secretary of administration and
41 finance and the senate and house committees on ways and means
42 a quarterly report detailing the amounts of the agreements, the
43 ongoing and new projects undertaken by the university, the
44 amounts spent on personnel and the amount of federal reimburse-
45 ment and recoupment payments that the university collected.

1 SECTION 39. Notwithstanding paragraph (a) of subsection
2 (xxiii) of section 9 of chapter 211B of the General Laws, or any
3 other general or special law to the contrary, the chief justice for
4 administration and management may, from the effective date of
5 this act through April 30, 2008, transfer funds from any item of
6 appropriation within 1 of the 7 departments of the trial court to
7 any other item of appropriation of the 7 departments. These trans-
8 fers shall be made in accordance with schedules submitted to the
9 house and senate committees on ways and means. The schedule
10 shall include the following: (1) the amount of money transferred
11 from 1 item of appropriation to another; (2) the reason for the
12 necessity of the transfer; and (3) the date on which the transfer is
13 to be completed. No transfer under this section shall occur until
14 10 days after the revised funding schedules have been submitted
15 in written form to the house and senate committees on ways and
16 means.

1 SECTION 40. Notwithstanding any general or special law to
2 the contrary, in hospital fiscal year 2008, the office of the inspec-
3 tor general may continue to expend funds appropriated pursuant to
4 section 1 of chapter 240 of the acts of 2004 from the Uncompen-
5 sated Care Trust Fund, or any successor fund, for the costs associ-
6 ated with maintaining a pool audit unit within said office. The
7 unit shall continue to oversee and examine the practices in all
8 Massachusetts' hospitals including, but not limited to, the care of
9 the uninsured and the resulting free care charges. The inspector

10 general shall submit a report to the house and senate committees
11 on ways and means on the results of the audits and any other com-
12 pleted analyses not later than March 1, 2008. For the purposes of
13 said audits, allowable free care services shall be defined pursuant
14 to chapter 118G of the General Laws and any regulations promul-
15 gated pursuant thereto.

1 SECTION 42. Notwithstanding any general or special law to the
2 contrary, the secretary of the executive office of administration and
3 finance shall investigate ways to reduce administrative costs related
4 to providing notice via first class mail to any person entitled to
5 receive such notice pursuant to any general or special law. In con-
6 ducting said investigation, the secretary shall consider the potential
7 financial benefit to the commonwealth of allowing electronic notifi-
8 cation in lieu of requiring notice only via first class mail and shall
9 also consider alternative ways of notifying persons entitled to
10 receive such notice pursuant to any general or special law who lack
11 access to electronic communications equipment. The secretary shall
12 report his findings and recommendations, including any proposed
13 legislation, to the clerk of the senate, the clerk of the house of repre-
14 sentatives and to the chairs of the house and senate committees on
15 ways and means on or before December 31, 2007.

1 SECTION 43. Notwithstanding any general or special law to
2 the contrary, there shall be a special commission to investigate
3 and study the commonwealth's liability for paying retiree health
4 care and other non-pension benefits. The commission shall specif-
5 ically examine further legislation necessary to comply with state-
6 ment number 43 and statement number 45 of the Government
7 Accounting Standards Board, so-called, a possible amortization
8 schedule to fund the commonwealth's liability, and the possibility
9 of state borrowing against future tobacco litigation proceeds to
10 fund the commonwealth's liability for said retiree health care and
11 other non-pension benefits. The commission shall consist of the
12 chairs of the joint committee on public service, who shall co-chair
13 the commission, the chairs of the house and senate committees on
14 ways and means, the secretary of administration and finance, or
15 his designee, the state treasurer, or his designee, the state comp-
16 troller, or his designee, the executive director of the pension

17 reserves investment management board, or his designee, the
18 House minority leader, or his designee, the Senate minority leader,
19 or his designee, and the executive director of the group insurance
20 commission, or his designee. The commission shall report its find-
21 ings and recommendations, including any proposed legislation, to
22 the clerk of the senate, to the clerk of the house of representatives
23 and to the chairs of the house and senate committees on ways and
24 means on or before December 31, 2007.

1 SECTION 44. Sections 4 and 20 of this act shall take effect
2 June 30, 2007.

1 SECTION 45. Sections 11 and 13 of this act shall take effect
2 October 1, 2007.

1 SECTION 46. Except as otherwise provided, this act shall take
2 effect on July 1, 2007.

1 SECTION 47. The second paragraph of Section 8B shall not
2 take effect until legislation has been filed and passed pursuant to
3 Part 2, Chapter 1, Articles I and II of the Constitution; and the
4 second paragraph of section 8C shall not take effect until legisla-
5 tion has been filed and passed pursuant to Part 2, Chapter 1, Arti-
6 cles I and II of the Constitution.

1 SECTION 48. Notwithstanding any general or special law to
2 the contrary, the board of higher education is hereby authorized
3 and directed for a two year pilot program for out of state tuition
4 retention at the Massachusetts College of Liberal Arts; provided
5 further, that said regulations shall ensure that no resident of
6 Massachusetts is denied admission to the Massachusetts College
7 of Liberal Arts as a result of said tuition retention project. The
8 board shall issue a report on the progress of said initiative no later
9 than February 1, 2009 to the house and senate chairs of the joint
10 committee on education, arts and humanities, and the chairs of
11 the house and senate ways and means committees. Said report
12 shall include the number of out of state students attending said
13 college, the amount of tuition retained under said program, and
14 the program or initiatives funded with said retained revenue.

1 SECTION 49. Section 16A of chapter 221 of the General Laws,
2 as appearing in the 2004 Official Edition, is hereby amended by
3 striking out the second sentence thereof.

1 SECTION 50. Section 28D of chapter 278 of the General Laws,
2 as appearing in the 2004 Official Edition, is hereby repealed.

1 SECTION 51. Section 146 of chapter 204 of the Acts of 1996,
2 as so appearing, is amended in paragraph (g) by striking the word
3 “ten” and inserting in place thereof the word “twenty”.

1 SECTION 52. Notwithstanding any general or special law to
2 the contrary, the Department of Fish and game is hereby autho-
3 rized to collect an administrative handling charge for all electronic
4 transactions processed through online licensing and registration
5 systems for the sole purpose of defraying the expenses of issuing
6 said licenses and permits.

1 SECTION 53. (a) There is hereby established a task force
2 which make an investigation and comprehensive study of chronic
3 kidney disease and its complications and how it affects the citi-
4 zens of the Commonwealth. The Chronic Kidney Disease Task
5 Force shall be comprised of 14 members, 1 of whom shall be the
6 Secretary of the Executive Office of Health and Human Services,
7 or his designee, who shall serve as chair; 1 of whom shall be the
8 Commissioner of the Department of Public Health, or his
9 designee; and the following 12 members who shall be appointed
10 as follows: (i) The Speaker and Senate President each shall
11 appoint 3 physicians licensed to practice medicine in the Com-
12 monwealth, 2 of whom shall be family practitioners, 2 of whom
13 shall be nephrologists and 2 of whom shall be pathologists;
14 (ii) The Speaker shall appoint 2 members who represent the state
15 affiliate of the National Kidney Foundation, 1 of whom shall be
16 an advocate on dialysis or a transplant recipient and 1 whom shall
17 represent the Department of Nephrology at the University of
18 Massachusetts Medical Center; (iii) The Senate President shall
19 appoint 1 member who shall represent a health care services plan
20 provider and 1 member who shall represent the Massachusetts
21 Association of Health Plans; (iv) The Governor shall appoint

22 1 member who shall represent owners and operators of clinical
23 laboratories in the Commonwealth and 1 member who shall repre-
24 sent the Massachusetts Hospital Association.

25 (b) The duties of the Chronic Kidney Disease Task Force shall
26 include, but not be limited to: developing a plan to educate health
27 care professionals about the advantages and methods of early
28 screening, diagnosis and treatment of chronic kidney disease and
29 its complications based on the K/DOQI Clinical Practice Guide-
30 lines for Chronic Kidney Disease or other medically recognized
31 clinical practice guidelines; developing a plan to educate health
32 care professionals about the advantages of End Stage Renal Dis-
33 ease (ESRD) modality education; and making recommendations
34 on the implementation of a cost-effective plan for early screening,
35 diagnosis and treatment of chronic kidney disease for the Com-
36 monwealth's population.

37 (c) The Chronic Kidney Disease Task Force shall submit a
38 report to the House and Senate Chairs of the joint committee on
39 public health, the joint committee on health care financing and the
40 house and senate committees on ways and means no later than
41 June 30, 2008.

1 SECTION 54. Notwithstanding any general or special law to
2 the contrary, the Secretary of the Executive Office of Housing and
3 Economic Development shall investigate and study the efficacy of
4 consolidating the Massachusetts Cultural Council and the Massa-
5 chusetts Office of Travel and Tourism into a new Department of
6 Tourism, Arts & Cultural Development within said executive
7 office.

8 The secretary shall report his findings to the General Court
9 together with legislation, if any, no later than January 1, 2008.

1 SECTION 55. Chapter 161B of the General Laws, as so appear-
2 ing, is hereby further amended by striking section 4 and inserting
3 in place thereof the following section:—

4 Section 4. The affairs of an authority shall be managed by an
5 administrator who shall be appointed by and serve at the pleasure
6 of the advisory board of the authority established pursuant to
7 section five; provided, however, that for the purpose of appointing
8 an administrator the secretary of the executive office of trans-

9 portation shall be entitled to 1 vote and, notwithstanding the pro-
10 visions of section 5, each city and town shall have 1 vote in said
11 appointment; provided, further, that the administrator shall not be
12 appointed until the board has provided the notification required by
13 clause (c) of section fourteen; provided, further, that no individual
14 shall be appointed as an administrator unless said individual pos-
15 sess senior level management experience in 1 or more of the
16 following areas: engineering, construction, business, public tran-
17 sit, public or private finance, or transportation; and provided, fur-
18 ther, that the administrator shall not hold any elective office,
19 except that of town meeting member, in any city or town within
20 the jurisdiction of such authority. The administrator shall be the
21 chief executive officer of the authority and shall receive such
22 annual salary as shall be determined by said advisory board. Upon
23 his appointment, the administrator shall give the state treasurer a
24 bond for the faithful performance of his official duties in such
25 penal sum and with such sureties as may be approved by the advi-
26 sory board.

1 SECTION 56. Notwithstanding the provisions of section 128 of
2 chapter 58 of the acts of 2006, as amended by section 21 of this
3 act, and in accordance with section 135 of said chapter 58, to the
4 extent applicable under this section payment of \$20,000,000 shall
5 be made available to acute hospitals under said section 58 to pay
6 for increases in Medicaid rates to such hospitals in state fiscal
7 year 2008 shall be contingent on hospital adherence to quality
8 standards and achievement of performance benchmarks, including
9 the reduction of racial and ethnic disparities in the provision of
10 health care, in accordance with section 13B of chapter 118E of the
11 General Laws; provided further, that for purposes of implement-
12 ing the provisions of this section, for state fiscal year 2008, any
13 such performance benchmarks shall be limited to and defined by
14 reference to the reporting of measures to be reported by hospitals
15 to the federal Centers for Medicare & Medicaid Services for
16 Reporting Hospital Quality Data for Annual Payment Update, to
17 the Joint Commission on Accreditation of Healthcare Organiza-
18 tions for core measures, or to the MassHealth Program pursuant to
19 appendix G of the contract between MassHealth and acute hospi-
20 tals for Rate Year 2007. For state fiscal year 2008, each acute hos-

21 pital subject to this section and to section 128 of said chapter 58
22 of the acts of 2006 shall report the data provided for in this
23 section quarterly, and $\frac{1}{4}$ of the amount withheld from payment to
24 such hospital pursuant to this section shall be paid upon receipt of
25 said quarterly reports.

1 SECTION 57. Notwithstanding any other general or special law
2 to the contrary, 10 days after the effective date of this act, the
3 comptroller shall transfer \$4,000,000 from the General Fund to
4 the Massachusetts Science, Technology, Engineering and Mathe-
5 matics Grant Fund established pursuant to section 2MMM of
6 chapter 29 of the General Laws.