SENATE DOCKET, NO. 2341 FILED ON: 1/17/2025

SENATE . . . . . No. 860

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act establishing medicare for all in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
James B. Eldridge	*Middlesex and Worcester*	
Lindsay N. Sabadosa	*1st Hampshire*	
Margaret R. Scarsdale	*1st Middlesex*	
Joanne M. Comerford	*Hampshire, Franklin and Worcester*	*1/27/2025*
Paul W. Mark	*Berkshire, Hampden, Franklin and Hampshire*	*1/27/2025*
Vanna Howard	*17th Middlesex*	*2/11/2025*
Jason M. Lewis	*Fifth Middlesex*	*2/11/2025*
John F. Keenan	*Norfolk and Plymouth*	*2/11/2025*
Michael D. Brady	*Second Plymouth and Norfolk*	*2/11/2025*
Paul R. Feeney	*Bristol and Norfolk*	*2/11/2025*
Sal N. DiDomenico	*Middlesex and Suffolk*	*2/11/2025*
Adam Gomez	*Hampden*	*2/11/2025*
Jacob R. Oliveira	*Hampden, Hampshire and Worcester*	*2/11/2025*
Mike Connolly	*26th Middlesex*	*2/11/2025*
Manny Cruz	*7th Essex*	*2/11/2025*
Julian Cyr	*Cape and Islands*	*2/27/2025*
Patricia D. Jehlen	*Second Middlesex*	*2/27/2025*

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SENATE . . . . . No. 860

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 860) of James B. Eldridge, Lindsay N. Sabadosa, Margaret R. Scarsdale, Joanne M. Comerford and other members of the General Court for legislation to establish medicare for all in Massachusetts. Health Care Financing.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *744* OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act establishing medicare for all in Massachusetts.

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

SECTION 1. The General Laws are hereby amended by inserting after chapter 175M the following chapter:-

CHAPTER 175N. MASSACHUSETTS HEALTH CARE TRUST

Section 1. Definitions

The following words and phrases shall have the following meanings, except where the context clearly requires otherwise:

“Board”, the Board of Trustees of the Massachusetts Health Care Trust.

“Executive Director”, the Executive Director of the Massachusetts Health Care Trust.

“Health care”, care provided to a specific individual by a licensed health care professional to promote physical and mental health, to treat illness and injury, and to prevent illness and injury.

“Health care provider”, any professional person, medical group, independent practice association, organization, health care facility, or other person or institution licensed or authorized by law to provide professional health care services to an individual in the Commonwealth.

“Institutional provider” means an inpatient hospital, nursing facility, rehabilitation facility, and other health care facilities that provide overnight or ambulatory care.

"Noninstitutional provider" means an individual provider and other health care practitioner that does not provide overnight or ambulatory care.

“Professional advisory committee”, a committee of advisors appointed by the director of the Administrative, Planning, Information, Technology, or any Regional division of the Massachusetts Health Care Trust.

“Resident”, a person who lives in Massachusetts as evidenced by an intent to continue to live in Massachusetts and to return to Massachusetts if temporarily absent, coupled with an act or acts consistent with that intent. The Trust shall adopt standards and procedures for determining whether a person is a resident. Such rules shall include: (1) a provision requiring that the person seeking resident status has the burden of proof in such determination; (2) a provision that a residence established for the purpose of seeking health care shall not by itself establish that a person is a resident of the Commonwealth; and (3) a provision that, for the purposes of this chapter, the terms “domicile” and “dwelling place” are not limited to any particular structure or

interest in real property and specifically include homeless individuals, individuals incarcerated in Massachusetts, and undocumented individuals.

"Secretary", the Secretary of the Executive Office of Health and Human Services.

"Trust", the Massachusetts Health Care Trust.

"Trust Fund", the Massachusetts Health Care Trust Fund.

Section 2. Policy and Goals

It is hereby declared to be the policy of the Commonwealth to provide equitable access to quality, health care services for all its residents as a right, responsive to the needs of the Commonwealth and its residents, without co-insurance, co-payments, deductibles, or any other form of patient cost sharing, and be accountable to its citizens though the Trust. The Trust shall be responsible for the collection and disbursement of funds required to provide health care services for every resident of the Commonwealth.

It is hereby declared that the Trust shall guarantee health care access to all residents of the Commonwealth without regard to financial or employment status, ethnicity, race, religion, gender, gender identity, sexual orientation, previous health problems or diagnoses, or geographic location.

It is hereby declared that the Trust shall provide access to health care services that is continuous, without the current need for repeated re-enrollments or changes when employers choose new plans and residents change jobs. Coverage under the Health Care Trust shall be comprehensive for individuals and families. It shall have no co-insurance, co-payments, deductibles, or any other form of patient cost sharing.

It is hereby declared that providing access to health care services for all Massachusetts residents through a single payer health care financing system is essential for achieving and sustaining universal equitable access, affordability, cost control, and high quality medical care.

It is hereby further declared that in pursuit of universal access to quality care, the Commonwealth supports the following goals:

(a) to guarantee every resident of the Commonwealth access to high quality health care by: (i) providing reimbursement for all medically appropriate health care services offered by the eligible health care providers of each resident's choice; and (ii) funding capital investments for adequate health care facilities and resources statewide.

(b) to ensure that all residents have access to dental care, behavioral health, eyeglasses, hearing aids, home health care, nursing home care, long-term care, hospice care, and other important health care needs.

(c) to eliminate co-insurance, co-payments, deductibles, and any other form of patient cost sharing;

(d) to control costs as a key component of a sustainable health care system that will reduce health care costs for residents, municipalities, counties, businesses, health care facilities, and the Commonwealth.

(e) to save money by replacing the current mixture of public and private health insurance plans with a uniform and comprehensive health care plan available to every Massachusetts resident;

(f) to reduce administrative cost and inefficiencies and use savings to: (i) expand covered health care services; (ii) contain health care cost increases; (iii) create health care provider incentives to innovate and compete by improving health care service quality and delivery to patients; and (iv) expand preventive health care programs and the delivery of primary care.

(g) to fund, approve, and coordinate capital improvements in excess of a threshold to be determined annually by the Executive Director to health care facilities in order to: (i) avoid unnecessary duplication of health care facilities and resources; and (ii) encourage expansion or location of health care providers in underserved communities;

(h) to assure the continued excellence of professional training and research at health care facilities in the Commonwealth;

(i) to achieve measurable improvement in health care outcomes according to accepted health care industry standards;

(j) to prevent disease and disability and maintain or improve health and functionality;

(k) to ensure that all residents of the Commonwealth receive care appropriate to their special needs as well as care that is culturally and linguistically competent;

(l) to increase satisfaction with the health care system among health care practitioners, patients, and the employers and employees of the Commonwealth, using standardized measurement tools and techniques;

(m) to implement policies that strengthen and improve culturally and linguistically sensitive care;

(n) to develop an integrated population-based health care database to support health care planning; and

(o) to fund training and retraining programs for professional and non-professional workers in the health care sector displaced as a direct result of implementation of this chapter.

Section 3. Establishment of the Massachusetts Health Care Trust

(a) There shall be within the Executive Office of Health and Human Services, but not under its control or any political subdivision thereof in the Commonwealth, a division known as the Massachusetts Health Care Trust. The Trust shall be responsible for the collection and disbursement of funds required to provide health care services for every resident of the Commonwealth. The Trust is hereby constituted a public instrumentality of the Commonwealth and the exercise by the Trust of the powers conferred by this chapter shall be deemed and held the performance of an essential governmental function.

(b) The provisions of chapter 268A shall apply to all Trustees, officers, and employees of the Trust, except that the Trust may purchase from, contract with, or otherwise deal with any organization in which any Trustee is interested or involved, provided, however, that such interest or involvement is disclosed in advance to the Trustees and recorded in the minutes of the proceedings of the Trust, and provided, further, that a Trustee having such interest or involvement may not participate in any decision relating to such organization.

(c) Neither the Trust nor any of its officers, Trustees, employees, consultants, or advisors shall be subject to the provisions of section 3B of chapter 7, sections 9A, 45, 46, and 52 of chapter 30, chapter 30B, or chapter 31, provided, however, that in purchasing goods and services, the Trust shall at all times follow generally accepted good business practices.

(d) All officers and employees of the Trust having access to its cash or negotiable securities shall give bond to the Trust at its expense, in such amount and with such surety as the Board of Trustees shall prescribe. The persons required to give bond may be included in one or more blanket or scheduled bonds.

(e) Trustees, officers, and advisors who are not regular, compensated employees of the Trust shall not be liable to the Commonwealth, to the Trust, or to any other person as a result of their activities, whether ministerial or discretionary, as such Trustees, officers, or advisors except for willful dishonesty or intentional violations of law. The Board of the Trust may purchase liability insurance for Trustees, officers, advisors, and employees and may indemnify said persons against the claims of others.

Section 4: Powers of the Trust

(a) The Trust shall have the following powers:

(1) to make, amend, and repeal by-laws, rules, and regulations for the management of its affairs;

(2) to adopt an official seal;

(3) to sue and be sued in its own name;

(4) to make contracts and execute all instruments necessary or convenient for the carrying on of the purposes of this chapter;

(5) to acquire, own, hold, dispose of, and encumber personal, real or intellectual property of any nature or any interest therein;

(6) to enter into agreements or transactions with any federal, state, or municipal agency or other public institution or with any private individual, partnership, firm, corporation, association, or other entity;

(7) to appear on its own behalf before boards, commissions, departments, or other agencies of federal, state, or municipal government;

(8) to appoint officers and to engage and employ employees, including legal counsel, consultants, agents, and advisors, and prescribe their duties and fix their compensations;

(9) to establish advisory boards;

(10) to procure insurance against any losses in connection with its property in such amounts, and from such insurers, as may be necessary or desirable;

(11) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in such investments as may be lawful for fiduciaries in the Commonwealth pursuant to sections 38 and 38 A of chapter 29;

(12) to accept, hold, use, apply, and dispose of any and all donations, grants, bequests, and devises, conditional or otherwise, of money, property, services, or other things of value which may be received from the United States or any agency thereof, any governmental agency, any institution, person, firm, or corporation, public or private; such donations, grants, bequests, and devises to be held, used, applied, or disposed for any or all of the purposes specified in this chapter and in accordance with the terms and conditions of any such grant. A receipt of each such donation or grant shall be detailed in the annual report of the Trust; such annual report shall

include the identity of the donor, lender, the nature of the transaction and any condition attaching thereto;

(13) to do any and all other things necessary and convenient to carry out the purposes of this chapter.

Section 5. Board of Trustees: Composition, Powers, and Duties

(a) The Trust shall be governed by a Board of Trustees with 29 members including:

(1) the Secretary of Health and Human Services; the Secretary of Administration and Finance, and the Commissioner of Public Health;

(2) eight Trustees appointed by the Governor, three of whom shall be nominated by organizations of health care professionals who deliver direct patient care, one of whom shall be nominated by a statewide organization of health care facilities, one of whom shall be nominated by an organization representing non-health care employers, one of whom shall be nominated by a disability rights organization, one of whom shall be nominated by an organization advocating for mental health care, and one of whom shall be a health care economist;

(3) ten Trustees appointed by the Attorney General, two of whom shall be nominated by a statewide labor organization, two of whom shall be nominated by statewide organizations who have a record of advocating for universal single payer health care in Massachusetts, one of whom shall be nominated by an organization representing Massachusetts senior citizens, one of whom shall be nominated by a statewide organization defending the rights of children, one of whom shall be nominated by an organization providing legal services to low-income clients, one of whom shall be an epidemiologist, one of whom shall be an expert in racial disparities in health

care nominated by a statewide public health organization, and one of whom shall be an expert in women's health care nominated by a statewide public health organization;

(4) and eight Trustees each appointed by one of the eight Governor's Councillors, with each Trustee required to reside in the same Governor's Council district as the Councillor who appoints them.

(5) Of these 29 members, one shall be an expert or have professional, lived, or academic experience related to homelessness; one shall be an expert or have professional, lived, or academic experience related to LGBTQIA+ rights or advocacy; and one shall be an expert or have professional, lived, or academic experience related to patients' rights or advocacy.

(6) Before appointing members to the Board of Trustees, the Governor, the Attorney General, and the Governor's Councillors shall conduct a public awareness process, encourage representation from different racial, ethnic, sexual orientation and gender identity populations, and take nominations from all interested organizations.

(b) Each appointed Trustee shall serve a term of five years; provided, however, that initially eight appointed Trustees shall serve three-year terms, nine appointed Trustees shall serve four-year terms, and nine appointed Trustees shall serve five-year terms. The initial appointed Trustees shall be assigned to a three-, four-, or five- year term by lot. Any person appointed to fill a vacancy on the Board shall serve for the unexpired term of the predecessor Trustee. Any appointed Trustee shall be eligible for reappointment to a second term only. Any appointed Trustee may be removed from the Trustee's appointment by the Governor or Attorney General, respectively, for just cause.

(c) The Board shall elect a chair from among its members every two years. A majority of the Trustees shall constitute a quorum and the affirmative vote of a majority of the Trustees present and eligible to vote at a meeting shall be necessary for any action to be taken by the Board. The Board of Trustees shall meet at least ten times annually and shall have final authority over the activities of the Trust.

(d) The Trustees shall be reimbursed for actual and necessary expenses and loss of income incurred for each full day serving in the performance of their duties to the extent that reimbursement of those expenses is not otherwise provided or payable by another public agency or agencies. For purposes of this section, “full day of attending a meeting” shall mean presence at, and participation in, not less than 75 percent of the total meeting time of the Board during any particular 24-hour period.

(e) No member of the Board of Trustees shall make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision in which the Trustee knows or has reason to know that the Trustee, or a family member, business partner, or colleague, has a financial interest.

(f) The Board is responsible for ensuring universal access to high quality health care for every resident of the Commonwealth and shall specifically address the following:

(1) establish policy on medical issues, population-based public health issues, research priorities, scope of services, expanding access to care, and evaluation of the performance of the system;

(2) evaluate proposals from the Executive Director and others for innovative approaches to health promotion, disease and injury prevention, health education and research, and health care delivery; and

(3) establish standards and criteria by which requests by health facilities for capital improvements shall be evaluated.

Section 6. Executive Director; Purpose and Duties

(a) The Board of Trustees shall hire an Executive Director who shall be the executive and administrative head of the Trust and shall be responsible for administering and enforcing the provisions of law relative to the Trust.

(b) The Executive Director may, as she or he deems necessary or suitable for the effective administration and proper performance of the duties of the Trust and subject to the approval of the Board of Trustees, do the following: (1) adopt, amend, alter, repeal, and enforce, all such reasonable rules, regulations, and orders as may be necessary; and (2) appoint and remove employees and consultants: provided, however, that, subject to the availability of funds in the Trust, at least one employee shall be hired to serve as director of each of the divisions created in Sections 7 through 11, inclusive, of this chapter.

(c) The Executive Director shall: (1) establish an enrollment system that will ensure that all eligible Massachusetts residents are formally enrolled; (2) use the purchasing power of the state to negotiate price discounts for prescription drugs and all needed durable and nondurable medical equipment and supplies; (3) negotiate or establish terms and conditions for the provision of high quality health care services and rates of reimbursement for such services on behalf of the residents of the Commonwealth; (4) develop prospective and retrospective payment systems for

covered services to provide prompt and fair payment to eligible providers; (5) oversee preparation of annual operating and capital budgets for the statewide delivery of health care services; (6) oversee preparation of annual benefits reviews to determine the adequacy of covered services; and (7) prepare an annual report to be submitted to the Governor, the President of the Senate, and Speaker of the House of Representatives and to be easily accessible to every Massachusetts resident.

(d) The Executive Director of the Trust may utilize and shall coordinate with the offices, staff, and resources of any agencies of the executive branch including, but not limited to, the Executive Office of Health and Human Services and all line agencies under its jurisdiction, the Center for Health Information and Analysis, the Department of Revenue, the Division of Insurance, the Group Insurance Commission, the Department of Employment and Training, the Industrial Accidents Board, the Health and Educational Finance Authority, and all other executive agencies.

Section 7. Regional Division: Director, Offices, Purposes, and Duties

(a) There shall be a regional division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this chapter and in any other general or special law shall be exercised and discharged subject to the control and supervision of the Executive Director of the Trust. The director of the regional division shall be appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and may, with like approval, be removed. The director shall establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% representation from the general public.

(b) The Trust shall have a reasonable number of regional offices located throughout the state. The number and location of these offices shall be proposed to the Executive Director and Board of Trustees by the director of the regional division after consultation with the directors of the planning, administration, quality assurance, and information technology divisions and consideration of convenience and equity. The adequacy and appropriateness of the number and location of regional offices shall be reviewed by the Board at least once every 3 years.

(c) The regional division shall establish a statewide education program that ensures that all residents understand how the Trust affects their health care costs, including, but not limited to, information about the following: (1) tax increases; (2) elimination of premiums, co-payments, deductibles, and any other form of patient cost sharing; (3) state-issued health care cards; and (4) choosing health care providers. Each regional office shall be professionally staffed to perform local outreach and informational functions and to respond to questions, complaints, and suggestions.

(d) Each regional office shall hold public hearings annually to determine unmet health care needs and for other relevant reasons. Regional office staff shall immediately refer evidence of unmet needs or of poor quality care to the director of the regional division who will plan and implement remedies in consultation with the directors of the administrative, planning, quality assurance, and information technology divisions.

Section 8. Administrative Division: Director, Purpose, and Duties

(a) There shall be an administrative division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this chapter and in any other general or special law shall be exercised and discharged subject to the direction,

control, and supervision of the Executive Director of the Trust. The director of the administrative division shall be appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and may, with like approval, be removed. The director may, at the director's discretion, establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% representation from the general public.

(b) The administrative division shall have day-to-day responsibility for: (1) making prompt payments to health care providers for covered services; (2) collecting reimbursement from private and public third party payers and individuals for services not covered by this chapter or covered services rendered to non-eligible patients; (3) developing information management systems needed for health care provider payment, rebate collection, and utilization review; (4) investing Trust Fund assets consistent with state law and Section 18 of this chapter; (5) developing operational budgets for the Trust; and (6) assisting the planning division to develop capital budgets for the Trust.

Section 9. Planning Division: Director, Purpose, and Duties

(a) There shall be a planning division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this chapter and in any other general or special law shall be exercised and discharged subject to the direction, control, and supervision of the Executive Director of the Trust. The director of the planning division shall be appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and may, with like approval, be removed. The director may, at the director's discretion, establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% representation from the general public.

(b) The planning division shall have responsibility for coordinating health care resources and capital expenditures to ensure all eligible participants reasonable access to covered services. The responsibilities shall include but are not limited to:

(1) An annual review of the adequacy of health care resources throughout the Commonwealth and recommendations for changes. Specific areas to be evaluated include but are not limited to the resources needed for underserved populations and geographic areas, for recruitment of primary care physicians, dentists, and other specialists needed to provide quality health care, for culturally and linguistically competent care, and for emergency and trauma care. The director shall develop short term and long term plans to meet health care needs; and

(2) An annual review of capital health care needs, including but not limited to recommendations for a budget for all health care facilities, evaluating all capital expenses in excess of a threshold amount to be determined annually by the Executive Director, and collaborating with local and statewide government and health care institutions to coordinate capital health planning and investment. The director shall develop short term and long term plans to meet capital expenditure needs.

(c) In making its review, the planning division shall consult with the regional offices of the Trust and shall hold public hearings throughout the state on proposed recommendations. The division shall submit to the Board of Trustees its final annual review and recommendations by October 1. Subject to Board approval, the Trust shall adopt the recommendations.

Section 10. Information Technology Division: Director, Purpose, and Duties

(a) There shall be an information technology division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this

chapter and in any other general or special law shall be exercised and discharged subject to the direction, control, and supervision of the Executive Director of the Trust. The director of the information technology division shall be appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and may, with like approval, be removed. The director may, at the director's discretion, establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% representation from the general public.

(b) The responsibilities of the information technology division shall include but are not limited to: (1) developing an information technology system that is compatible with all medical and dental facilities in Massachusetts; (2) maintaining a confidential electronic medical records system and prescription system in accordance with laws and regulations to maintain accurate patient records and to simplify the billing process, thereby reducing medical errors and bureaucracy; and (3) developing a tracking system to monitor quality of care, establish a patient database, and promote preventive care guidelines and medical alerts to avoid errors.

(c) Notwithstanding that all billing shall be performed electronically, patients shall have the option of keeping any portion of their medical records separate from their electronic medical record. The information technology director shall work closely with the directors of the regional, administrative, planning, and quality assurance divisions. The information technology division shall make an annual report to the Board of Trustees by October 1. Subject to Board approval, the Trust shall adopt the recommendations.

Section 11. Quality Assurance Division: Director, Purpose, and Duties

(a) There shall be a quality assurance division within the Trust which shall be under the supervision and control of a director. The powers and duties given the director in this chapter and in any other general or special law shall be exercised and discharged subject to the direction, control, and supervision of the Executive Director of the Trust. The director of the quality assurance division shall be appointed by the Executive Director of the Trust, with the approval of the Board of Trustees, and may, with like approval, be removed. The director may, at the director's discretion, establish a professional advisory committee to provide expert advice: provided, however, that such committee shall have at least 25% representation from the general public.

(b) The quality assurance division shall support the establishment of a universal, best quality of standard of care using best practices with respect to: (1) appropriate hospital staffing levels for quality care; (2) evidence-based best clinical practices developed from analysis of outcomes of medical interventions; appropriate medical technology; (3) design and scope of work in the health workplace; and development of clinical practices that lead toward elimination of medical errors; (4) timely access to needed medical and dental care; (5) development of medical homes that provide efficient patient-centered integrated care; and (6) compassionate end-of-life care that provides comfort and relief of pain in an appropriate setting evidence-based best clinical practices.

(c) The director shall conduct a comprehensive annual review of the quality of health care services and outcomes throughout the Commonwealth and submit such recommendations to the Board of Trustees as may be required to maintain and improve the quality of health care service delivery and the overall health of Massachusetts residents. In making its reviews, the quality assurance division shall consult with the regional, administrative, and planning divisions and

hold public hearings throughout the state on quality of care issues. The division shall submit to the Board of Trustees its final annual review and recommendations on how to ensure the highest quality health care service delivery by October 1. Subject to Board approval, the Trust shall adopt the recommendations.

Section 12. Eligible Participants

(a) The following persons shall be eligible participants in the Massachusetts Health Care Trust:

(1) all Massachusetts residents, as defined in Section 1;

(2) all non-residents who:

(i) work 20 hours or more per week in Massachusetts;

(ii) pay all applicable Massachusetts personal income and payroll taxes; and

(iii) pay any additional premiums established by the Trust to cover non-residents.

(3) All non-resident patients requiring emergency treatment for illness or injury: provided, however, that the Trust shall recoup expenses for such patients wherever possible.

(b) Payment for emergency care of Massachusetts residents obtained out of state shall be at prevailing rates where service occurred. Payment for non-emergency care of Massachusetts residents obtained out of state shall be according to rates and conditions established by the Executive Director. The Executive Director may require that a resident be transported back to Massachusetts when prolonged treatment of an emergency condition is necessary if transportation is safe for the patient in light of the patient's medical condition.

(c) Visitors to Massachusetts shall be billed for all services received under the system. The Executive Director of the Trust may establish intergovernmental arrangements with other states and countries to provide reciprocal coverage for temporary visitors.

Section 13. Eligible Health Care Providers

(a) Eligible health care providers shall include an agency, facility, corporation, individual, or other entity directly rendering any covered benefit to an eligible patient: provided, however, that the health care provider:

(1) is licensed to operate or practice in the Commonwealth;

(2) does not accept payment from other sources for services provided for by the Trust;

(3) furnishes a signed agreement that:

(i) all health care services will be provided without discrimination on the basis of factors including, but not limited to age, sex, race, national origin, sexual orientation, gender identity, income status, preexisting condition, or citizenship status;

(ii) the health care provider will comply with all state and federal laws regarding the confidentiality of patient records and information;

(iii) no balance billing or out-of-pocket charges will be made for covered services unless otherwise provided in this chapter; and

(iv) the health care provider will furnish such information as may be reasonably required by the Trust for making payment, verifying reimbursement and rebate information, utilization

review analyses, statistical and fiscal studies of operations, and compliance with state and federal law;

(4) meets state and federal quality guidelines including guidance for safe staffing, quality of care, and efficient use of funds for direct patient care; and

(5) meets whatever additional requirements that may be established by the Trust.

(6) Since a hospital's purpose is to serve patients and not to enrich private shareholders, the department of public health shall not issue a license or renew a license for a hospital under section 51 of chapter 111 unless said hospital is organized as a non-profit entity under section 501(c)(3) of the Internal Revenue Code .

Section 14. Budgeting and Payments to Eligible Health Care Providers

(a) To carry out this Act there are established on an annual basis:

(1) an operating budget;

(2) a capital expenditures budget;

(3) reimbursement levels for non-institutional providers consistent with rates set by the Trust that ensure that: (i) the total costs of all services offered by or through the provider are reasonable; and (ii) the aggregate rates of the provider are related reasonably to the aggregate costs of the health care provider; and

(4) budgets for institutional providers. These budgets shall consist of an operating and a capital budget. An institution's annual budget shall be set to cover its anticipated health care services for the next year based on past performance and projected changes in prices and health

care service and utilization levels. The annual budget for each individual institutional provider shall be set separately. The board shall not set a joint budget for a group of more than one institutional provider nor for a parent corporation that owns or operates one or more institutional providers.

(b) The operating budget shall be used for:

(1) payment for services rendered by physicians and other clinicians and non-institutional providers;

(2) budgets for institutional providers; and

(3) administration of the Trust.

(c) Payments for operating expenses shall not be used to finance capital expenditures or for activities to assist, promote, deter, or discourage union organizing. Any prospective payments made in excess of actual costs for covered services shall be returned to the Trust. Prospective payment rates and schedules shall be adjusted annually to incorporate retrospective adjustments. Except as provided in Section 15 of this chapter, reimbursement for covered services by the Trust shall constitute full payment for the services rendered.

(d) The Trust shall provide for retrospective adjustment of payments to eligible health care providers to:

(1) assure that payments to such health care providers reflect the difference between actual and projected use and expenditures for covered services; and

(2) protect health care providers who serve a disproportionate share of eligible participants whose expected use of covered health care services and expected health care

expenditures for such services are greater than the average use and expenditure rates for eligible participants statewide.

(e) The capital expenditures budget shall be used for funds needed for:

(1) the construction or renovation of health facilities; and

(2) major equipment purchases.

(f) Payment provided under this section shall be used only to pay for the capital costs of eligible health care providers, including reasonable expenditures, as determined through budget negotiations with the Trust, for the replacement and purchase of equipment.

(g) The Trust shall provide funding for payment of debt service on outstanding bonds as of the effective date of this Act and shall be the sole source of future funding, whether directly or indirectly, through the payment of debt service, for capital expenditures by health care providers covered by the Trust in excess of a threshold amount to be determined annually by the Executive Director.

Section 15. Covered Benefits

(a) The Trust shall pay for all professional services provided by eligible health care providers to eligible participants needed to:

(1) provide high quality, appropriate, and medically necessary health care services;

(2) encourage reductions in health risks and increase use of preventive and primary care services; and

(3) integrate physical health, mental and behavioral health, and substance abuse services.

(b) Covered benefits shall include all high quality health care determined to be medically necessary or appropriate by the Trust, including, but not limited to, the following:

(1) prevention, diagnosis, and treatment of illness and injury, including but not limited to laboratory, diagnostic imaging, inpatient, ambulatory, and emergency medical care, blood and blood products, dialysis, mental health services, palliative care, dental care, vision care, audiology care, acupuncture, physical therapy, chiropractic, and podiatric services;

(2) promotion and maintenance of individual health through appropriate screening, counseling, and health education;

(3) the rehabilitation of sick and disabled persons, including physical, psychological, and other specialized therapies;

(4) behavioral health services, including supportive residences, occupational therapy, and ongoing outpatient services;

(5) substance use disorder services, including supportive residences and ongoing outpatient service;

(6) prenatal, perinatal and maternity care, family planning, fertility, and reproductive health care, including abortion;

(7) long-term services and supports including home health care and personal support care;

(8) long term care in institutional and community-based settings;

(9) hospice care;

(10) language interpretation and such other medical or remedial services as the Trust shall determine;

(11) emergency and other medically necessary transportation;

(12) the full scale of dental services, other than cosmetic dentistry;

(13) basic vision care and correction, including glasses, other than laser vision correction for cosmetic purposes;

(14) hearing evaluation and treatment including hearing aids;

(15) prescription drugs;

(16) durable and non-durable medical equipment, supplies, and appliances, including complex rehabilitation technology products and services as medically necessary, individually-configured manual and power wheelchair systems, adaptive seating systems, alternative positioning systems, and other mobility devices that require evaluation, fitting, configuration, adjustment, or programming; and

(17) all new emerging technologies irrespective of where the parent company is located, such as telemedicine and telehealth health care providers.

(18) infection by the virus that causes COVID-19 and any long-term effects, known as post-COVID conditions (PCC) or Long COVID.

(c) No deductibles, co-payments, co-insurance, or other cost sharing shall be imposed with respect to covered benefits. Patients shall have free choice of participating physicians and other clinicians, hospitals, inpatient care facilities, and other health care providers.

Section 16. Wraparound Coverage for Federal Health Programs

(a) Prior to obtaining any federal program's waivers to receive federal funds through the Health Care Trust, the Trust shall seek to ensure that participants eligible for federal program coverage receive access to care and coverage equal to that of all other Massachusetts participants. It shall do so by (1) paying for all services enumerated under Section 15 not covered by the relevant federal plans; (2) paying for all such services during any federally mandated gaps in participants' coverage; and (3) paying for any deductibles, co-payments, co-insurance, or other cost sharing incurred by such participants.

Section 17. Establishment of the Health Care Trust Fund

(a) In order to support the Trust effectively, there is hereby established the health care trust fund, hereinafter the Trust Fund, which shall be administered and expended by the Executive Director of the Trust subject to the approval of the Board. The Trust Fund shall consist of all revenue sources defined in Section 19, and all property and securities acquired by and through the use of monies deposited to the Trust Fund, and all interest thereon less payments therefrom to meet liabilities incurred by the Trust in the exercise of its powers and the performance of its duties.

(b) All claims for health care services rendered shall be made to the Trust Fund and all payments made for health care services shall be disbursed from the Trust Fund.

Section 18. Purpose of the Trust Fund

(a) Amounts credited to the Trust Fund shall be used for the following purposes:

(1) to pay eligible health care providers covered services rendered to eligible individuals;

(2) to fund capital expenditures for eligible health care providers for approved capital investments in excess of a threshold amount to be determined annually by the Executive Director;

(3) to pay for preventive care, education, outreach, and public health risk reduction initiatives, not to exceed 5% of Trust income in any fiscal year;

(4) to supplement other sources of financing for education and training of the health care workforce, not to exceed 2% of Trust income in any fiscal year;

(5) to supplement other sources of financing for medical research and innovation, not to exceed 1% of Trust income in any fiscal year;

(6) to supplement other sources of financing for training and retraining programs for workers displaced as a result of administrative streamlining gained by moving from a multi-payer to a single payer health care system, not to exceed 2% of Trust income in any fiscal year: provided, however, that eligible workers must have enrolled by June 20 of the third year following full implementation of this chapter;

(7) to fund a reserve account to finance anticipated long-term cost increases due to demographic changes, inflation, or other foreseeable trends that would increase Trust Fund liabilities, and for budgetary shortfall, epidemics, and other extraordinary events, not to exceed 1% of Trust income in any fiscal year: provided, however, that the Trust reserve account shall at no time constitute more than 5% of total Trust assets;

(8) to pay the administrative costs of the Trust which, within two years of full implementation of this chapter shall not exceed 5% of Trust income in any fiscal year.

(b) Unexpended Trust assets shall not be deemed to be “surplus” funds as defined by chapter twenty-nine of the general laws.

Section 19. Funding Sources

(a) The Trust shall be the repository for all health care funds and related administrative funds. A fairly apportioned, dedicated health care tax on employers, workers, and residents will replace spending on insurance premiums and out-of-pocket spending for services covered by the Trust. The Trust shall enable the state to pass lower health care costs on to residents and employers through savings from administrative simplification, negotiating prices, discounts on pharmaceuticals and medical supplies, and through early detection and intervention by universally available primary and preventive care. Additionally, collateral sources of revenue – such as from the federal government, non-residents receiving care in the state, or from personal liability – shall be recovered by the Trust. The Trust shall be funded by dedicated revenue streams and its budget shall not affect other public health programs run by the state. Lastly, the Trust shall enact provisions ensuring a smooth transition to a universal health care system for employers and residents.

(b) The following dedicated health care taxes will replace spending on insurance premiums and out-of-pocket spending for services covered by the Trust. Prior to each state fiscal year of operation, the Trust will prepare for the Legislature a projected budget for the coming fiscal year, with recommendations for rising or declining revenue needs.

(1) An employer payroll tax of 7.5 percent will be assessed on employee W-2 wages, exempting the first $20,000 of payroll per establishment, replacing previous spending by

572 employers on health premiums. An additional employer payroll tax of 0.5 per cent will be
573 assessed on establishments with 100 or more employees;

574 (2) An employee payroll tax of 2.5 percent will be assessed, exempting the first $20,000
575 of income, replacing previous spending by employees on health premiums and out-of-pocket
576 expenses; all W-2 wages will be combined for each taxpayer and one $20,000 exemption will be
577 allowed;

578 (3) A 10 percent payroll tax on the self-employed, including general partnership income
579 and other income subject to self-employment tax for Federal purposes, will be assessed,
580 exempting the first $20,000 of payroll per self-employed taxpayer; income from all sources
581 subject to tax in this section shall be combined and allowed one $20,000 exemption per taxpayer;
582 and

583 (4) For the purposes of sections (2) and (3) above, each taxpayer will combine all income
584 reported on from IRS Form W-2s and self-employment income and be allowed one $20,000
585 exemption. The exemption will apply first to W-2 income and then to self-employment income.

586 (5) A 10 percent tax on taxable unearned income and all other income not specifically
587 excluded will be assessed on such income above $20,000. Exclusions not taxed: Social Security,
588 Supplemental Security Income (SSI), Social Security Disability Income (SSDI), unemployment
589 benefits, workers compensation benefits, sick pay, paid family and medical leave, capital gains
590 resulting from the sale of owner-occupied two- or three-family rental property, and defined
591 contribution and defined benefit pension payments. Capital gains from the portion attributed to a
592 primary residence in excess of the exclusion allowed by Massachusetts law will be subject to the
593 tax. The $20,000 exemption for this section shall be applied to each individual taxpayer.

(c) An employer, private or public, may agree to pay all or part of an employee's payroll tax obligation. Such payment shall not be considered income to the employee for Massachusetts income tax purposes.

(d) Default, underpayment, or late payment of any tax or other obligation imposed by the Trust shall result in the remedies and penalties provided by law, except as provided in this section.

(e) Eligibility for benefits shall not be impaired by any default, underpayment, or late payment of any tax or other obligation imposed by the Trust.

(f) It is the intent of this act to establish a single public payer for all health care in the Commonwealth. Towards this end, public spending on health insurance shall be consolidated into the Trust to the greatest extent possible. Until such time as the role of all other payers for health care has been terminated, health care costs shall be collected from collateral sources whenever medical services provided to an individual are, or may be, covered services under a policy of insurance, health care service plan, or other collateral source available to that individual, or for which the individual has a right of action for compensation to the extent permitted by law.

(g) The Legislature shall be empowered to transfer funds from the General Fund sufficient to meet the Trust's projected expenses beyond projected income from dedicated tax revenues. This lump transfer shall replace current General Fund spending on health benefits for state employees, services for patients at public in-patient facilities, and all means- or needs-tested health benefit programs.

(h) The Trust shall receive all monies paid to the Commonwealth by the federal government for health care services covered by the Trust. The Trust shall seek to maximize all sources of federal financial support for health care services in Massachusetts. Accordingly, the Executive Director shall seek all necessary waivers, exemptions, agreements, or legislation, if needed, so that all current federal payments for health care shall, consistent with the federal law, be paid directly to the Trust Fund. In obtaining the waivers, exemptions, agreements, or legislation, the Executive Director shall seek from the federal government a contribution for health care services in Massachusetts that shall not decrease in relation to the contribution to other states as a result of the waivers, exemptions, agreements, or legislation.

(i) As used in this section, "collateral source" includes all of the following:

(1) insurance policies written by insurers, including the medical components of automobile, homeowners, workers' compensation, and other forms of insurance;

(2) health care service plans and pension plans;

(3) employee benefit contracts;

(4) government benefit programs;

(5) a judgment for damages for personal injury;

(6) any third party who is or may be liable to an individual for health care services or costs;

(j) As used in this section, "collateral sources" does not include either of the following:

(1) a contract or plan that is subject to federal preemption; and

(2) any governmental unit, agency, or service, to the extent that subrogation is prohibited by law.

(k) An entity described as a collateral source is not excluded from the obligations imposed by this section by virtue of a contract or relationship with a governmental unit, agency, or service.

(l) Whenever an individual receives health care services under the Trust and the individual is entitled to coverage, reimbursement, indemnity, or other compensation from a collateral source, the individual shall notify the health care provider and provide information identifying the collateral source other than federal sources, the nature and extent of coverage or entitlement, and other relevant information. The health care provider or facility shall forward this information to the Executive Director. The individual entitled to coverage, reimbursement, indemnity, or other compensation from a collateral source shall provide additional information as requested by the Executive Director.

(m) The Trust shall seek reimbursement from the collateral source for services provided to the individual, and may institute appropriate action, including suit, to recover the costs to the Trust. Upon demand, the collateral source shall pay to the Trust Fund the sums it would have paid or expended on behalf of the individuals for the health care services provided by the Trust.

(n) If a collateral source is exempt from subrogation or the obligation to reimburse the Trust as provided in this section, the Executive Director may require that an individual who is entitled to medical services from the collateral source first seek those services from that source before seeking those services from the Trust.

(o) To the extent permitted by federal law, contractual retiree health benefits provided by employers shall be subject to the same subrogation as other contracts, allowing the Trust to recover the cost of services provided to individuals covered by the retiree benefits, unless and until arrangements are made to transfer the revenues of the benefits directly to the Trust.

(p) The Trust shall retain:

(1) all charitable donations, gifts, grants, or bequests made to it from whatever source consistent with state and federal law;

(2) payments from third party payers for covered services rendered by eligible health care providers to non-eligible patients but paid for by the Trust; and

(3) income from the investment of Trust assets, consistent with state and federal law.

(q) Any employer who has a contract with an insurer, health services corporation, or health maintenance organization to provide health care services or benefits for its employees, which is in effect on the effective date of this section, shall be entitled to an income tax credit against premiums otherwise due in an amount equal to the Trust Fund tax due pursuant to this section.

(r) Any insurer, self-insured employers, union health and welfare fund, health services corporation, or health maintenance organization which provides health care services or benefits under a contract with an employer or group of employers, which is in effect on the effective date of this act, shall pay to the Trust Fund an amount equal to the Health Care Trust employer payroll tax based on the number of employees of each employer.

(s) Six months prior to the establishment of the Health Care Trust, all laws and regulations requiring health insurance carriers to maintain cash reserves for purposes of commercial stability (such as under Chapter 176G, Section 25 of the General Laws) shall be repealed. In their place, the Executive Director of the Trust shall assess an annual health care stabilization fee upon the same carriers, amounting to the same sum previously required to be held in reserves, which shall be credited to the Health Care Trust Fund.

Section 20. Insurance Reforms

Insurers regulated by the division of insurance are prohibited from charging premiums to eligible participants for coverage of services already covered by the Trust. The commissioner of insurance shall adopt, amend, alter, repeal, and enforce all such reasonable rules and regulations and orders as may be necessary to implement this section.

Section 21. Health Care Trust Regulatory Authority

The Trust shall adopt and promulgate regulations to implement the provisions of this chapter. The initial regulations may be adopted as emergency regulations but those emergency regulations shall be in effect only from the effective date of this chapter until the conclusion of the transition period in Section 22.

Section 22. Implementation of the Health Care Trust

This legislation shall be fully implemented within one year of the date of its enactment.

Not later than forty-five days after enactment of this legislation, the Governor, Attorney General, and Governor’s Councillors shall make their appointments to the Board of the

Massachusetts Health Care Trust. The first meeting of the Board shall take place within 10 days of these appointments.

The Board shall immediately begin the process of hiring an Executive Director of the Trust, review enabling legislation, educating itself regarding general purposes, economics, and authority of the Trust. The Board shall develop a budget for the transition and initiate the process of obtaining federal waivers and agreements concerning payments from Medicare, Medicaid, and other public programs. The Board shall also set a general timeframe for establishing the Trust with a launch date no less than one year from the date of enactment.

In the first phase of transition, the Executive Director shall begin hiring staff, establishing the administrative and information technology infrastructure for the Trust, and negotiating reimbursement rates for health care services, pharmaceuticals, and medical equipment. health care providers shall develop plans for transitioning to the Trust.

In the second phase of transition, the infrastructure of the Trust shall be established, including Regional Offices to provide public education about the new system; training of health care providers' staff on systems for processing bills to the Trust; and introduction of accounting regulations to employers for payment of payroll taxes. Private insurers shall pay the annual health care stabilization fee. Residents of the Commonwealth shall receive health care identification cards with an explanation of benefits and contact information for their Regional office.

Funding for the establishment of the Trust during the transition period shall be provided by the Legislature, supplemented by the reserve funds of private insurers.