

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Matthew C. Patrick

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 passage of the accompanying bill:

An Act relative to the Cape Care Community Health Trust.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Matthew C. Patrick	3rd Barnstable
Sarah K. Peake	4th Barnstable
Robert A. O'Leary	Cape and Islands

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO THE CAPE CARE COMMUNITY HEALTH TRUST.

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

1 The Massachusetts General Laws are hereby amended by adding the following:

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4 **Section 1: Preamble.**

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6 The foundation for a productive and healthy Barnstable County is a health care system that provides equal
7 access to quality health care for all its residents. Massachusetts spends more on health care per capita than
8 any other state or country in the world, causing undue hardship for the state, municipalities, businesses,
9 and residents, but without achieving universal access to quality health care. In Barnstable County, the
10 worsening economic pressure on care providers has resulted in out-migration, with diminished access to
11 care. The Cape Care Community Health Trust will promote the three main pillars of a just, efficient
12 health care system for our residents: cost control and affordability, universal equitable access, and high
13 quality medical care.

14

15 **(a) Cost Control and Affordability**

16 Controlling costs is the most important component of establishing a sustainable health care system for the
17 County. The Cape Care Community Health Trust will control costs by establishing a global budget, by
18 achieving significant savings on administrative overhead through consolidating the financing of our
19 health care system, by volume purchasing of pharmaceuticals and medical supplies, and by more efficient
20 use of our health care facilities and provider network. The strong public health tradition in this county will
21 be strengthened by enhanced data management capabilities, and will lead to improved control of
22 infectious disease and environmental health risks. Our present fragmented system also leads to a lack of
23 effective preventive care. Cape Care will enhance primary care “homes” for all enrolled, coordinating
24 health services and removing barriers to access will promote early detection and intervention, avoiding
25 more serious illnesses and more costly treatments.

26

27 **(b) Universal Equitable Access**

28 Thousands of Barnstable County residents still lack health insurance coverage of any sort. Even more
29 residents are covered by plans requiring high deductibles and co-payments that make medical care
30 unaffordable even for the insured. Even with insurance, many barriers impede access to care. The
31 Community Health Care Trust will provide health care access to all residents without regard to financial
32 status, employment status, ethnicity, gender, or previous health problems. Coverage will be continuous
33 and affordable for individuals and families, since there will be minimal or no financial barriers to access,
34 such as co-pays or deductibles. And a coordinated approach to care will assure that continuous primary
35 care and timely access to specialty care is available to all.

36

37 **(c) Quality of Care**

38 The World Health Organization rates health outcomes in the United States health care system lower than
39 those of almost all other industrialized countries, and a number of developing countries as well. Poor
40 health outcomes result from the lack of universal access, the lack of oversight on quality due to the
41 fragmentation and complexity of our health care system, and the frequent lack of preventive and
42 comprehensive care benefits offered under commercial health plans. The Trust will reduce errors through
43 information technology, will improve medical care by eliminating much of the present administrative
44 complexity to focus on care, and will incorporate evidence-based, non-commercial education for both
45 providers and consumers. The facilitation of community-wide Electronic Health Records as a means to
46 enhance effective, coordinated and affordable health care, will be a key enhancement possible within a
47 true care-delivery system. The Trust will solicit and evaluate input from patients on the functioning of the
48 health system, and will report to the County and community on outcomes measures.

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51 **Section 2: Definitions.**

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53 The following words and phrases as used in this chapter shall have the following meanings, except where
54 the context clearly requires otherwise:

55

56 **“Board”** means the board of trustees of the Cape Care Community Health Trust.

57

58 **“Employer”** means every person, partnership, association, corporation, trustee, receiver, the legal
59 representatives of a deceased employer and every other person, including any person or corporation
60 operating a railroad and any public service corporation, the state, county, municipal corporation,
61 township, school or road, school board, board of education, curators, managers or control commission,
62 board or any other political subdivision, corporation, or quasi-corporation, or city or town under special
63 charter, or under the commission for of government, using the service of another for pay in the
64 commonwealth.

65

66 **“Executive Director”** means the executive director of the Cape Care Community Health Trust.

67

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

70

71 **“Health care facility”** means any facility or institution, whether public or private, proprietary or
72 nonprofit, that is organized, maintained, and operated for health maintenance or for the prevention,
73 diagnosis, care and treatment of human illness, physical or mental, for one or more persons.

74

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

78

79 **“Health maintenance organization”** means a provider organization that meets the following criteria:

80 (1) Is fully integrated operationally and clinically to provide a broad range of health care services;

81 (2) Is compensated using capitation or overall operating budget; and

82 (3) Provides health care services primarily through direct care providers who are either employees or
83 partners of the organization, or through arrangements with direct care providers or one or more groups of
84 physicians, organized on a group practice or individual practice basis.

85

86 **“Professional advisory board”** means a committee of advisors appointed by the Trustees.

87

88 **“Resident”** means a person who lives in Barnstable County as evidenced by an intent to continue to live
89 in Barnstable County and to return to Barnstable County if temporarily absent, coupled with an act or acts
90 consistent with that intent. The Trust shall adopt standards and procedures for determining whether a
91 person is a resident. Such rules shall include:

92 (1) a provision requiring that the person seeking resident status has the burden of proof in such
93 determination;

94 (2) a provision requiring reasonable durational domicile requirements not to exceed 2 years for long term
95 care and 90 days for all other covered services;

96 (3) a provision that a residence established for the purpose of seeking health care shall not by itself
97 establish that a person is a resident of the County; and

98 (4) a provision that, for the purposes of this chapter, the terms “domicile” and “dwelling place” are not
99 limited to any particular structure or interest in real property. Homeless individuals meeting criteria above
100 shall specifically be considered “resident.”

101

102 **“Trust”** means the Cape Care Community Health Trust established in section three of this chapter.

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104

105 **Section 3. Establishment of the Cape Care Community Health Trust.**

106

107 There is hereby created an independent body, politic and corporate, to be known as the Cape Care
108 Community Health Trust, also hereinafter referred to as the Trust, to function as the single public agency,
109 or “single payer”, responsible for the collection and disbursement of funds required to provide health care
110 services for every resident of Barnstable County. The Cape Care Community Health Trust is hereby
111 constituted a public instrumentality of the County and the exercise by the Trust of the powers conferred
112 by this chapter shall be deemed and held the performance of an essential governmental function. The
113 Cape Care Community Health Trust is hereby placed in some relation, to be determined, to the Barnstable
114 County Department of Human Services, but shall not be subject to the supervision or control of said
115 office or of any board, bureau, department or other agency of the commonwealth or county except as
116 specifically provided by this chapter.

117

118 The provisions of chapter two hundred sixty-eight A shall apply to all trustees, officers and employees of
119 the Cape Care Community Health Trust, except that the Cape Care Community Health Trust may
120 purchase from, contract with or otherwise deal with any organization in which any trustee is interested or
121 involved: provided, however, that such interest or involvement is disclosed in advance to the trustees and
122 recorded in the minutes of the proceedings of the Cape Care Community Health Trust: and provided,
123 further, that a trustee having such interest or involvement may not participate in any decision relating to
124 such organization.

125

126 Neither the Cape Care Community Health Trust nor any of its officers, trustees, employees, consultants or
127 advisors shall be subject to the provisions of section three B of chapter seven, sections nine A, forty-five,
128 forty-six and fifty-two of chapter thirty, chapter thirty B or chapter thirty-one: provided, however, that in
129 purchasing goods and services, the corporation shall at all times follow generally accepted good business
130 practices.

131

132 All officers and employees of the Cape Care Community Health Trust having access to its cash or
133 negotiable securities shall give bond to the Cape Care Community Health Trust at its expense, in such
134 amount and with such surety as the board of trustees shall prescribe. The persons required to give bond
135 may be included in one or more blanket or scheduled bonds.

136

137 Trustees, officers and advisors who are not regular, compensated employees of the Cape Care Community
138 Health Trust shall not be liable to the commonwealth, to the Trust or to any other person as a result of
139 their activities, whether ministerial or discretionary, as such trustees, officers or advisors except for
140 willful dishonesty or intentional violations of law. The board of the Cape Care Community Health Trust
141 may purchase liability insurance for trustees, officers, advisors and employees and may indemnify said
142 persons against the claims of others.

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145 **Section 4: Powers.**

146

147 The Cape Care Community Health Trust shall have the following powers:

148

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

150

151 (2) to adopt an official seal;

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

154

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

157

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

160

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

163

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

166

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

169

170 (9) to establish advisory boards;

171

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

174

175 (11) to invest any funds held in reserves or sinking funds, or any funds not required for immediate
176 disbursement, in such investments as may be lawful for fiduciaries in the commonwealth pursuant to
177 sections thirty-eight and thirty-eight A of chapter twenty nine;

178

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

185 report of the Cape Care Community Health Trust; such annual report shall include the identity of the
186 donor, lender, the nature of the transaction and any condition attaching thereto;

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

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191 **Section 5: Purposes.**

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193 The purposes of the Cape Care Community Health Trust shall include the following:

194

195 (1) To guarantee every Barnstable County resident access to high quality health care by providing
196 reimbursement for all medically appropriate health care services offered by the eligible provider or
197 facility of each resident's choice;

198

199 (2) To save money by replacing the current mixture of public and private health care plans with a uniform
200 and comprehensive health care plan available to every Barnstable County resident;

201

202 (3) To replace the redundant private and public bureaucracies required to support the current system with
203 a single administrative and payment mechanism for covered health care services;

204

205 (4) To use administrative and other savings to:

206 (a) assure affordable coverage to all Barnstable County residents

207 (b) expand covered health care services;

208 (c) contain health care cost increases; and

209 (d) create provider incentives to improving health care service quality and delivery to patients;

210

211 (5) To participate in the Commonwealth's Determination of Need process for capital needs for health
212 care facilities in Barnstable County. An evaluation and public report on any Determination of Need
213 application will be prepared and submitted to the responsible agency. A decision-making role in that
214 process will be developed.

215

216 (6) To achieve measurable improvement in health care outcomes;

217

218 (7) To prevent disease and disability and maintain or improve health and functionality;

219

220 (8) To ensure that all Barnstable County residents receive care appropriate to their special needs as well
221 as care that is culturally and linguistically competent;

222

223 (9) To increase satisfaction with the performance of the health care system among health care providers
224 and consumers, including the employers and employees of the county;

225

226 (10) To implement policies which strengthen and improve culturally and linguistically sensitive care;

227

228 (11) To develop an integrated population-based health care database to support health care planning.

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231 **Section 6: Board of Trustees; Composition; Powers and Duties.**

232

233 The Board of Trustees shall consist of one elected representative from each of the six state legislative
234 districts in Barnstable County; and of not less than seven, nor more than eleven, specified ex-officio
235 delegates, for a Board of not less than thirteen nor more than seventeen members.

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- (1) Elected trustees will be chosen every two years, concurrent with the regular election of state representatives.

- (2) Each Trustee must be a resident of Barnstable County.

- (3) The terms of elected trustees shall begin with the first Wednesday in January succeeding their election and shall extend to the first Wednesday in January in the third year following their election and until their successors are chosen and qualified.

- (4) Ex-officio representatives will be selected as delegates by designated organizations on Cape Cod, which have significant involvement or stakeholder role in health care and human services delivery. The initial organizations will be defined in the process of establishing the Trust; and changes thereafter will be by the Board of Trustees.

- (5) The Board, by a simple majority, may add or remove organizations from the list of those delegating representatives, without altering the term of a sitting ex-officio delegate. In the event that a designated organization ceases to function, the Board may vote another to fill the role and to delegate a representative

- (6) Each appointed ex-officio trustee shall serve a term of three years; provided, however, that initially two of the total appointed trustees shall serve one-year terms, three shall serve two-year terms, and two shall serve three-year terms. The initial appointed trustees shall be assigned to one, two or three year terms 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. Any appointed trustee may be removed from his appointment for cause. No trustee will serve more than three full terms

264 (7) The board shall elect a chair from among its members every two years. A simple majority of
265 trustees shall constitute a quorum, and the affirmative vote of a majority of the trustees present
266 and eligible to vote at a meeting shall be necessary for any action to be taken by the board. The
267 board of trustees shall meet at least ten times each year and will have final authority over the
268 activities of the Cape Care Community Health Trust.

269
270 (8) The trustees shall be reimbursed for actual and necessary expenses and loss of income incurred
271 for each full day serving in the performance of their duties to the extent that reimbursement of
272 those expenses is not otherwise provided or payable by another public agency or agencies. For
273 purposes of this section, "full day of attending a meeting" shall mean presence at, and
274 participation in, not less than six hours of meeting and travel time

275
276 (9) No member of the board of trustees shall make, participate in making, or in any way attempt to
277 use his or her official position to influence a decision in which he or she know or has reason to
278 know that he or she, or a family member or a business partner or colleague has a financial
279 interest.

280
281 (10) The Board will:
282 (a) Be responsible for oversight of administration of Cape Care Community Health Trust, including the
283 Executive Director of the Trust.
284 (b) Establish all necessary policies, and review and amend them from time to time
285 (c) Assure ongoing compliance with an approved "Mission Statement."
286 (d) Attempt to resolve disputes that may arise from time to time
287 (e) Serve as an Appeals Board for Benefits coverage determinations
288 (f) Manage investment of Cape Care Community Health Trust funds; maintain adequate
289 reserves to cover reasonably projected losses; derive safest investment income
290 (g) Contract and monitor adequacy of reinsurance

- 291 (h) Establish policy on medical issues, population-based public health issues, research
292 priorities, scope of services, and expanding access to care, based on recommendations of
293 the Professional Advisory Board.
- 294 (i) Evaluate proposals for innovative approaches to health promotion, disease and injury
295 prevention, health education and research, and health care delivery. The specific public
296 health goals of improving diet and exercise patterns, and curtailing tobacco use and
297 smoke exposure will have specific emphasis, for their demonstrated significant role in
298 reducing a population's cardiovascular disease and cancer risks.
- 299 (j) Develop methods for reporting and making recommendations to municipal and/or County
300 government, in order to facilitate improved access to healthy foods, nutrition services and
301 exercise, as well as to limit tobacco use and environmental smoke exposure across the
302 community.
- 303 (k) Establish standards and criteria by which requests by health facilities requiring state
304 approval for capital improvements shall be evaluated, and oversee submission to the
305 Commonwealth of written comment on any such applications, based on those standards
306 and criteria.
- 307 (l) Oversee preparation of annual operating and capital budgets for the countywide delivery
308 of health care services under the Cape Care Community Health Trust
- 309 (m) Regularly evaluate system performance for effectiveness, efficiency, accessibility and
310 other review criteria as determined by the Board.
- 311 (n) Alter administrative structure as circumstances may dictate.

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314 **Section 7: Executive Director; Purpose and Duties.**

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316 The board of trustees shall hire an executive director who shall be the executive and administrative head
317 of the Cape Care Community Health Trust and shall be responsible for administering and enforcing the
318 provisions of law relative to the Cape Care Community Health Trust. The director will report to, and be
319 responsible to, the Trustees.

320

321 The executive director may, as s/he deems necessary or suitable for the effective administration and
322 proper performance of the duties of the Cape Care Community Health Trust and subject to the approval of
323 the board of trustees, do the following:

324

325 (1) adopt, amend, alter, repeal and enforce, all such reasonable rules, regulations and orders as may be
326 necessary;

327

328 (2) appoint and remove employees and consultants:

329

330 The executive director shall:

331

332 (1) establish an enrollment system that will ensure that all eligible and willing Barnstable County
333 residents are formally enrolled;

334

335 (2) utilize the purchasing power of the County to negotiate price discounts for prescription drugs and all
336 needed durable and nondurable medical equipment and supplies;

337

338 (3) negotiate or establish terms and conditions for the provision of high quality health care services and
339 rates of reimbursement for such services on behalf of the residents of the County;

340

341 (4) develop prospective and retrospective payment systems for covered services to provide prompt and
342 fair payment to eligible providers and facilities;

343

344 (5) oversee preparation of annual operating budgets for the delivery of health care services;

345

346 (6) oversee preparation of annual benefits reviews to determine the adequacy of covered services; and

347

348 (7) prepare an annual report to be submitted to the County Commissioners and to be easily accessible to
349 every Massachusetts resident.

350

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352 **Section 8: Medical Director and Quality Assurance Division; Duties and Purpose**

353 There shall be a physician medical director, who shall be the chief medical officer of the Cape Care
354 Community Health Trust, and director of the Quality Assurance Division. The powers and duties given
355 the medical director in this chapter and in any other general or special law shall be exercised and
356 discharged subject to the direction, control and supervision of the executive director of the Cape Care
357 Community Health Trust. The medical director shall be appointed by the executive director of the Trust,
358 with the approval of the board of directors, and may, with like approval, be removed. The medical
359 director will serve as chair of the professional advisory committee to provide expert advice.

360

361 The quality assurance division shall support the establishment and promulgation of a universal, best
362 quality of standard of care with respect to:

363

364 (1) appropriate staffing levels to assure patient access to providers;

365

366 (2) appropriate medical technology;

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368 (3) design and scope of work in the health workplace; and

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370 (4) evidence-based best clinical practices for preventive, therapeutic and restorative medical care.

371

372 The medical director shall recommend to the executive director a schedule of covered benefits, and a
373 formulary of covered pharmaceuticals. A process shall be established to develop initial recommendations,

374 and ongoing revisions as may be necessary. A process shall be established for appeals from coverage
375 determinations.

376

377 The medical director shall conduct a comprehensive annual review of the quality of health care services
378 and outcomes throughout the County and submit such recommendations to the board of directors as may
379 be required to maintain and improve the quality of health care service delivery and the overall health of
380 Barnstable County residents. In making its reviews, the quality assurance division shall consult with the
381 regional, administrative, and planning divisions and hold hearings across the County on quality of care
382 issues. The division shall submit to the board of directors its final review and recommendations on how to
383 ensure the highest quality health care service delivery by October 1 of each year. Subject to board
384 approval, the Cape Care Community Health Trust shall adopt the recommendations.

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387 **Section 9. Professional Advisory Board**

388 There shall be a Professional Advisory Board composed of participating health care practitioners and
389 institutions, public health policy experts, clinical pharmacists, health educators, economists,
390 administrators and other professional advisors as are determined to be necessary for health policy
391 development by the executive director. The medical director, as chief medical officer and head of the
392 Quality Assurance Division, will serve as chair.

393

394 The Board will:

395 (1) Provide representation and develop policy and procedure recommendations to the executive
396 director.

397

398 (2) Monitor health care promotion and delivery to all covered residents.

399

400 (3) Recommend to the director a standard benefit package of health care determined to be medically
401 necessary and appropriate. Benefits may be classified as "core" and "elective" with differential

402 coverage offered. A preventive health focus will be a essential value, including a public health
403 approach to screening standards, and assuring that resources are adequate to achieve goals.

404

405 (4) Evaluate and recommend changes to covered benefits, including new technologies, over time.
406 Reference to authoritative external reviews of costs and benefits will be incorporated.

407

408 (5) Recommend goals for appropriate allocation of limited financial and health care resources.

409

410 (6) Be responsible for the drug formulary development, periodic revisions, and oversight of
411 pharmaceutical benefit; with approval of Board of Trustees.

412

413 (7) Recommend to the executive director a reimbursement schedule, including fee modifiers, in order
414 to implement community health policy goals.

415

416 (8) Recommend health manpower development goals to meet regional care needs.

417

418 (9) Oversee the credentialing process for all eligible practitioners.

419

420 (10) Oversee development of systems to facilitate integrated, effective and efficient health care
421 delivery, in an organization where providers will continue to be independently owned and
422 managed. This will involve the following probable components

423 a. Coverage determinations, and payment and/or provider reimbursement schedules. These
424 would be evidence-based, reflect best practices, and would encourage provision of all
425 necessary and appropriate community health care services. Assuring access to primary
426 care providers for all residents will be a priority.

427 b. Monitoring of community health trends for health care planning, and support for initiatives
428 to improve health indicators.

- 429 i. Claims data analysis for disease patterns and variance, as surveillance for acute-
430 and chronic-illness risk reduction.
- 431 ii. Long-term health trends and unusual patterns
- 432 iii. Coordination with findings of Barnstable County Health and Human Resources
433 reports and staff and Town health departments.
- 434 c. Education of health care consumers and providers, especially concerning appropriate
435 utilization of health care resources.
- 436 d. Evaluate and recommend practice support systems as determined necessary.

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439 **Section 10: Administrative Division; Director; Purpose and Duties.**

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441 There shall be an administrative division within the Cape Care Community Health Trust, which shall be
442 under the supervision and control of a director. The powers and duties given the director in this chapter
443 and in any other general or special law shall be exercised and discharged subject to the direction, control
444 and supervision of the executive director of the Trust. The director of the administrative division shall be
445 appointed by the executive director of the Trust, with the approval of the board of trustees, and may, with
446 like approval, be removed.

447

448 The director shall establish a professional advisory committee, composed of participating health care
449 practitioners and institutions, public health policy experts, clinical pharmacists, health educators,
450 economists, administrators and other professional advisors as are determined to be necessary for health
451 policy development, to provide expert advice.

452

453 The administrative division shall have day-to-day responsibility for:

454

455 (1) making prompt payments to providers and facilities for covered services;

456

457 (2) collecting reimbursement from private and public third party payers and individuals for services not
458 covered by this chapter or covered services rendered to non-eligible patients;

459

460 (3) developing information management systems needed for provider payment, rebate collection and
461 utilization review;

462

463 (4) investing trust fund assets consistent with state law and section nineteen of this chapter;

464

465 (5) developing operational budgets for the Cape Care Community Health Trust; and

466

467 (6) assisting the planning division to develop any capital budgets for the Cape Care Community Health
468 Trust.

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471 **Section 11: Planning Division; Director; Purpose and Duties.**

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473 There shall be a planning division within the Cape Care Community Health Trust, which shall be under
474 the supervision and control of a director. The powers and duties given the director in this chapter and in
475 any other general or special law shall be exercised and discharged subject to the direction, control and
476 supervision of the executive director of the Cape Care Community Health Trust. The director of the
477 planning division shall be appointed by the executive director of the Trust, with the approval of the board
478 of trustees, and may, with like approval, be removed. The director may, at his/her discretion, consult with
479 or refer to the professional advisory committee to provide expert advice.

480

481 The planning division shall have responsibility for coordinating health care resources to ensure all eligible
482 participants reasonable access to covered services. The responsibilities shall include but are not limited to:

483

484 (1) an annual review of the adequacy of health care resources throughout the County and
485 recommendations for changes. Specific areas to be evaluated include but are not limited to the resources
486 needed for underserved populations and geographic areas, for culturally and linguistically competent care,
487 and for emergency and trauma care. The director shall develop short term and long term plans to meet
488 health care needs.

489

490 (2) an annual review of capital health care needs. Included in this evaluation, but not limited to it are
491 recommendations for a budget for all health care facilities, evaluating all capital expenses in excess of a
492 threshold amount to be determined annually by the executive director, and collaborating with local and
493 statewide government and health care institutions to coordinate capital health planning and investment.
494 The director shall develop short term and long term plans to meet covered health care expenditure needs.

495

496 In making its review, the planning division shall hold hearings on proposed recommendations. The
497 division shall submit to the board of trustees its final review and recommendations by October 1 of each
498 year. Subject to board approval, the Cape Care Community Health Trust shall adopt the
499 recommendations.

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502 **Section 12: Information Technology Division; Purpose & Duties.**

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504 There shall be an information technology division within the Cape Care Community Health Trust, which
505 shall be under the supervision and control of a director. The powers and duties given the director in this
506 chapter and in any other general or special law shall be exercised and discharged subject to the direction,
507 control and supervision of the executive director of the Cape Care Community Health Trust. The director
508 of the information technology division shall be appointed by the executive director of the Trust, with the
509 approval of the board of trustees, and may, with like approval, be removed. The director may, at his/her
510 discretion, consult with or refer to the professional advisory committee to provide expert advice.

511

512 The responsibilities of the information technology division shall include but are not limited to:

513

514 (1) developing a confidential electronic medical records system and prescription system in accordance
515 with laws and regulations to maintain accurate patient records and to simplify the billing process, thereby
516 reducing medical errors and bureaucracy;

517

518 (2) developing a tracking system to monitor quality of care, establish a patient data base and promote
519 preventive care guidelines and medical alerts to avoid errors.

520

521 Notwithstanding that all billing shall be performed electronically, patients shall have the option of
522 keeping any portion of their medical records separate from their electronic medical record. The
523 information technology director shall work closely with the directors of the regional, administrative,
524 planning and quality assurance divisions. The information technology division shall make an annual
525 report to the board of trustees by October 1 of each year. Subject to board approval, the Trust shall adopt
526 the recommendations.

527

528

529 **Section 13: Regional Offices.**

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531 Cape Care shall maintain three physical sites as home bases for health promotion and wellness activities,
532 as well as other member services, one in the upper Cape, one in the mid-Cape and one on the outer Cape.
533 The trustees shall review the adequacy and appropriateness of the number and location of local offices at
534 least once every three years.

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537 **Section 14: Eligible Participants.**

538

539 Those persons who shall be recognized as eligible to participate in the Cape Care Community Health
540 Trust plan shall include:

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542 (1) All Barnstable County residents, as defined in Section 2, are eligible for enrollment and coverage,
543 regardless of employment status. No mandate to utilize the Cape Care Community Health Trust for
544 coverage of health care services is expressed or implied.

545

546 (2) Payment for emergency care of Barnstable County residents obtained out of county shall be at
547 prevailing local rates. Payment for non-emergency care of Barnstable County residents obtained
548 out-of-county shall be according to rates and conditions established by the executive director. The
549 executive director may require that a resident be transported back to Massachusetts when
550 prolonged treatment of a condition is necessary.

551

552 (3) Visitors to Barnstable County shall be billed, or have their insurance billed, for all services
553 received under the Cape Care Community Health Trust. The executive director of the Trust may
554 establish intergovernmental arrangements with the Commonwealth of Massachusetts, and other
555 states and countries to provide reciprocal coverage for temporary visitors.

556

557

558 **Section 15: Eligible Health Care Providers and Facilities.**

559

560 Eligible health care providers and facilities shall include an agency, facility, corporation, individual, or
561 other entity directly rendering any covered benefit to an eligible patient: provided, however, that the
562 provider or facility:

563

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

565

566 (2) furnishes a signed agreement that:

567 (a) all health care services shall be provided without discrimination on the basis of age, sex, race, national
568 origin, sexual orientation, income status or preexisting condition;

569 (b) the provider or facility shall comply with all state and federal laws regarding the confidentiality of
570 patient records and information;

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

573 (d) the provider or facility shall furnish such information as may be reasonably required by the Trust for
574 making payment, verifying reimbursement and rebate information, utilization review analyses, statistical
575 and fiscal studies of operations and compliance with state and federal law;

576

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

579

580 (4) meets any additional requirements that may be established by the Cape Care Community Health Trust.

581

582 **Section 16: Prospective Payments to Eligible Health Care Providers and Facilities for Operating**
583 **Expenses.**

584

585 The Cape Care Community Health Trust shall negotiate or establish, with eligible health care providers,
586 health care facilities or groups of providers or facilities, payment rates for covered services. Such
587 payment rates may be made on a fee for service, capitated system or overall operating budget basis and
588 shall remain in effect for a period of 12 months unless sooner modified by the Trust. Except as provided
589 in section sixteen of this chapter, reimbursement for covered services by the Cape Care Community
590 Health Trust shall constitute full payment for the services rendered.

591

592 Prospective payments provided under this section can be used only to pay for the operating costs of
593 eligible health care providers or facilities, including reasonable expenditures, as determined through
594 budget negotiations with the Cape Care Community Health Trust, for the maintenance, replacement and
595 purchase of equipment. Payments for operating expenses shall not be used for payment of exorbitant
596 salaries. Any prospective payments made in excess of actual costs for covered services shall be returned
597 to the Cape Care Community Health Trust. Prospective payment rates and schedules shall be adjusted
598 annually to incorporate retrospective adjustments.

599

600

601 **Section 17: Retrospective Payments to Eligible Health Care Providers and Facilities for Operating**
602 **Expenses.**

603

604 The Cape Care Community Health Trust shall provide for retrospective adjustment of payments to
605 eligible health care facilities and providers to:

606

607 (1) assure that payments to such providers and facilities reflect the difference between actual and
608 projected utilization and expenditures for covered services; and

609

610 (2) protect health care providers and facilities who serve a disproportionate share of eligible participants
611 whose expected utilization of covered health care services and expected health care expenditures for such
612 services are greater than the average utilization and expenditure rates for eligible participants statewide.

613

614

615 **Section 18: Funding for Capital Investments by Eligible Health Care Providers and Facilities.**

616

617 The Cape Care Community Health Trust shall not directly fund capital investments; however, eligible
618 health care providers and facilities may utilize operating income derived from provision of covered
619 services to fund such capital investments.

620

621

622 **Section 19: Covered Benefits.**

623

624 (1) The Cape Care Community Health Trust shall pay for all professional services provided by eligible
625 providers and facilities to eligible participants needed to:

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

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

628 (c) assure a primary care "medical home" for every enrolled Barnstable resident.

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

630

631 (2) Standard covered benefits shall include all high quality health care determined to be medically
632 necessary or appropriate, and recommended by the Professional Advisory Board and approved by the
633 Trustees, including, but not limited to, the following:

634 (a) prevention, diagnosis and treatment of illness and injury, including immunizations, laboratory,
635 diagnostic imaging, inpatient, ambulatory and emergency medical care, blood and blood products,
636 dialysis, organ transplants, endoscopic screening, mental health services, acupuncture, physical therapy,
637 chiropractic and podiatric services, and a specialist second-opinion option;

638 (b) promotion and maintenance of health through appropriate screening, counseling, and nutrition and
639 health education;

640 (c) the rehabilitation of sick and disabled persons, including physical, occupational, speech,
641 psychological, and other specialized therapies;

642 (d) prenatal, perinatal and maternity care, family planning, fertility and reproductive health care, and
643 genetic counseling;

644 (e) developmental evaluation; medical and behavioral;

645 (f) behavioral health services, including effective mental illness prevention

646 strategies; inpatient and outpatient testing, diagnosis, counseling, and treatment in the most appropriate
647 settings; coordination with medical providers; and advocacy services as indicated.

648 (g) clinical nutrition services;

649 (h) medical social work services;

650 (i) home health care including personal care; other needed support services; foster care; adult day care;

- 651 (j) long term care in institutional and community-based settings;
- 652 (k) hospice care, both inpatient and at-home;
- 653 (l) language interpretation and such other medical or remedial services as the Trust shall determine.
- 654 (m) emergency and other medically necessary transportation;
- 655 (n) dental services, other than cosmetic dentistry;
- 656 (o) basic vision care and correction, other than laser vision correction for cosmetic purposes;
- 657 (p) hearing evaluation and treatment including hearing aids;
- 658 (r) podiatry services;
- 659 (s) prescription drugs;
- 660 (t) durable and non-durable medical equipment, supplies, prosthetics and appliances.

661

662 (3) Mental health services

663 (a) Services for mental illness shall be integrated, to the extent possible, with comprehensive
664 health care delivery

665 (b) Communication between disciplines will be facilitated.

666 (c) Centralized triage and referral will facilitate timely, appropriate evaluation and therapy

667 (d) Reduction of barriers to access services is critical.

668 (e) Suicide prevention strategies will be more available through a community wide network of efforts.

669 1. Cape-wide on-call teams

670 2. central phone resource line

671 3. community education

672 4. police training

673

674 (4) Because tobacco abuse, poor diet choices, inadequate physical exercise and alcohol account for over a
675 third of all deaths, and that individual choices significantly predict health outcomes, a comprehensive
676 wellness and health promotion program will be central. Individual Health Resources Assessment will be
677 conducted for all enrollees.

678 (a) Financial and other incentives to risk-reduction behaviors for participants and providers shall be
679 offered.

680 (b) Adequate resources must available and affordable to the system.

681 (c) Public health focus on tobacco, diet and physical exercise in collaboration with other community
682 agencies will be developed.

683 (d) Linked electronic medical records shall be utilized for their potential to prompt all providers to
684 interventions.

685

686 (5) Standards for appropriate utilization of covered services shall be promulgated. These will be evidence-
687 based, transparently developed, and open. An appeal process for exceptions to non-covered benefits must
688 be elaborated and shall be available.

689

690 (6) Not covered shall be therapies and procedures determined by the director to be principally of cosmetic
691 intent.

692

693 (7) Co-payments for services must not present a barrier to access to essential "core" health care services.

694 (a) cost sharing may be required of care that is designated "elective."

695 (b) Such determination of covered services considered "core" and "elective" shall be through an
696 initial and open periodic review of covered services.

697

698 (8) No annual deductibles will be imposed.

699

700 (9) Patients shall have free choice of participating physicians and other clinicians, hospitals and other
701 inpatient care facilities.

702

703

704 **Section 20: Funding Sources.**

705

706 The Cape Care Community Health Trust shall be the repository for all health care funds and related
707 administrative funds. The sources of Cape Care Community Health Trust funding shall include the
708 following:

709

710 (1) All monies saved by

711 (a) simplifying administration of health care finance;

712 (b) achieving volume purchase discounts on pharmaceuticals, medical supplies, and specialized services;

713 (c) early detection and intervention for health problems through timely, universally available primary and
714 preventive care;

715 (d) reduction in clinical waste, both related to inadequate access, as well as over-utilization of resources,
716 and to the costs associated with preventable harm.

717

718 (2) All monies the commonwealth currently appropriates to pay for health care services or health
719 insurance premiums for enrolled residents in Barnstable County, including but not limited to, all current
720 state programs which provide covered benefits and appropriations to cities, towns and other governmental
721 subdivisions to pay for health care services or health insurance premiums; provided, however, that the
722 Trust shall then assume responsibility for all benefits and services previously paid for by the
723 commonwealth with these funds. All current state health care programs that provide covered benefits
724 shall be included in this requirement. The executive director shall seek from the Legislature a contribution
725 for health care services that shall not decrease in relation to state government expenditures of health care
726 services in the year that this chapter is enacted.

727 (a) The Cape Care Community Health Trust shall qualify as a health maintenance organization
728 recognized and accepted under the MassHealth program, and receive payments for enrolled residents as
729 the community default provider.

730 (b) According to the requirements of Ch. 58 (The Commonwealth Care program) every resident
731 of the Commonwealth of Massachusetts is required to have health care insurance coverage that satisfies
732 certain criteria of adequacy. The coverage provided under the Trust will meet all such criteria, and the
733 Trust shall qualify as a health maintenance organization recognized and accepted by the Commonwealth
734 Care and Connector programs as a valid insurance plan option. As the community default provider, an
735 extensive network of care for enrolled Barnstable Residents will be available.

736

737 (4) All monies the commonwealth receives from the federal government to pay for health care
738 services or health insurance premiums for enrolled residents in Barnstable County; provided,
739 however, that the Trust shall then assume responsibility for all benefits and services previously
740 paid by the federal government with these funds. The Trust shall seek to maximize all sources of
741 federal financial support for health care services in Barnstable County. Accordingly, the executive
742 director shall seek all necessary waivers, exemptions, agreements, or legislation, if needed, so that
743 all current federal payments for health care shall, consistent with the federal law, be paid directly
744 to the Trust Fund. In obtaining the waivers, exemptions, agreements, or legislation, the executive
745 director shall seek from the federal government a contribution for health care services in
746 Massachusetts that shall not decrease in relation to the contribution to other states as a result of the
747 waivers, exemptions, agreements, or legislation.

748

749 (5) The Cape Care Community Health Trust shall qualify as a health maintenance organization
750 recognized and accepted by Medicare, and shall receive payments for the care of enrolled
751 residents, as the community default provider under the Medicare Advantage program. Enrolled
752 Medicare Advantage participants will be covered for all standard Trust plan benefits.

753

754 Prior to obtaining any federal program's financing through the Cape Care Community Health
755 Trust, the Trust will seek to ensure that participants eligible for federal program coverage receive access
756 to care and coverage equal to that of all other Trust participants. It shall do so by:

757 (a) paying for all services enumerated above not covered under the relevant federal plans;

758 (b) paying for all such services during any federally mandated gaps in participants' coverage; and

759 (c) paying for any premiums, deductibles, co-payments, co-insurance or other cost sharing
760 incurred by such participants.

761

762 (6) All monies collected by cities, towns and other governmental subdivisions to pay for health care
763 services or health insurance premiums for enrolled residents; provided, however, that the Trust
764 shall then assume responsibility for all benefits and services previously paid for by those
765 governmental subdivisions with these funds.

766

767 (7) All monies collected through a Barnstable County Health Tax:

768 (a) The services delivered to eligible and enrolled Barnstable residents shall additionally, be funded in
769 some part in accordance with the procedures established by the Barnstable county home rule charter, and
770 in accordance with this section.

771 (b) A budget proposal reflecting anticipated revenues and expenses for the following fiscal year shall be
772 submitted annually in accordance with Barnstable county administrative and budgetary procedures.

773 (c) Subject to the terms and conditions of the Barnstable county home rule charter, the Cape Care
774 Community Health Trust may accept funding including, including certain state tax revenues, and grants
775 from public or private persons or entities. Such receipts shall be applied to the cost of operation of the
776 Cape Care Community Health Trust.

777 (d) To the extent that the amounts for the Cape Care Community Health Trust budget exceed revenues
778 derived under subsection (c) such excess amounts may be raised in accordance with sections thirty and
779 thirty-one of chapter thirty-five of the General Laws. Any such excess amounts shall be exempt from the
780 provisions of section twenty A of chapter fifty-nine of the General Laws and amounts so assessed by the
781 county or any municipality shall not be included in calculating the total taxes assessed under subsection
782 (a) or the maximum levy limit under subsection (f) for such municipality under section twenty-one C of
783 chapter fifty-nine of the General Laws. Any such assessment made upon the municipalities of Barnstable
784 county in accordance with sections thirty and thirty-one of chapter thirty-five of the General Laws shall
785 be indicated separately from all other county taxes within the assessments made by the assessors thereof.
786 Any amounts received under the assessments made pursuant to this subsection or pursuant to paragraph
787 (ii) shall be deposited into The Cape Care Community Health Trust.

788

789 (7) All monies collected through payment of an Employer Health Care Contribution by all employers,
790 based on total payroll, starting with the enactment of the benefit plan of the Cape Care Community Health
791 Trust, as determined by the Trust in consultation with the Department of Revenue. The amount of this
792 Contribution shall be in line with, or less than, the average contributions that employers make toward
793 employee health benefits as of the effective date of this act, adjusted to a rate less than national health
794 care inflation or deflation. The Contribution shall be collected through the Department of Revenue for
795 deposit in the Trust Fund.

796 (a) Any employer that pays to the Department of Revenue such a Employer Health Care Contribution will
797 be recognized as meeting the obligation for coverage under the provisions of Ch. 58.

798 (b) Any employer that has a contract with an insurer, health services corporation or health maintenance
799 organization to provide health care services or benefits for its employees, which is in effect on the
800 effective date of this section, shall be entitled to an income tax credit against premiums otherwise due in
801 an amount equal to the Employer Health Care Contribution due, pursuant to this section.

802 (c) Any insurer, health services corporation, or health maintenance organization which provides health
803 care services or benefits under a contract with an employer which is in effect on the effective date of this
804 act, with any employees electing Cape Care Community Health Trust coverage shall pay to the Trust an
805 amount equal to the Employer Health Care Contribution which would have been paid by the employer if
806 the contract with the insurer, health services corporation or health maintenance organizations were not in
807 effect, through the plan year. For purposes of this section, the term "insurer" includes union health and
808 welfare funds and self-insured employers.

809 (d) All employers in Barnstable County will be required to fully disclose to employees residing in
810 Barnstable county, clearly understandable information concerning the comparative availability, scope of
811 covered benefits, health care providers and ancillary services, of the Cape Care Community Health Trust
812 plan.

813

814 (8) All monies collected from collateral sources through coordination of benefits, for payment for health
815 care services covered by the Trust. It is the intent of this act to establish a single public payer for all health
816 care in the County. However, until such time as the role of all other payers for health care has been
817 terminated, health care costs shall be collected from collateral sources whenever medical services
818 provided to an individual are, or may be, covered services under a policy of insurance, health care service
819 plan, or other collateral source available to that individual, or for which the individual has a right of action
820 for compensation to the extent permitted by law.

821

822 As used in this section, collateral source includes all of the following:

823 (a) insurance policies written by insurers, including the medical components of automobile, homeowners,
824 worker's compensation and other forms of liability insurance;

825 (b) health care service plans and pension plans;

826 (c) employers;

827 (d) employee benefit contracts;

828 (e) government benefit programs;

829 (f) a judgment for damages for personal injury;

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

831

832 As used in this section, collateral sources do not include either of the following:

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

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

835

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

838 The executive director shall attempt to negotiate waivers, seek federal legislation, or make other
839 arrangements to incorporate collateral sources in Massachusetts into the Trust.

840 Whenever an individual receives health care services under the system and s/he is entitled to coverage,
841 reimbursement, indemnity, or other compensation from a collateral source, s/he shall notify the health
842 care provider or facility and provide information identifying the collateral source other than federal
843 sources, the nature and extent of coverage or entitlement, and other relevant information. The health care
844 provider or facility shall forward this information to the executive director. The individual entitled to
845 coverage, reimbursement, indemnity, or other compensation from a collateral source shall provide
846 additional information as requested by the executive director.

847

848 The Cape Care Community Health Trust shall seek reimbursement from the collateral source for services
849 provided to the individual, and may institute appropriate action, including suit, to recover the costs to the
850 Trust. Upon demand, the collateral source shall pay to the Cape Care Community Health Trust the sums it
851 would have paid or expended on behalf of the individuals for the health care services provided by the
852 Trust.

853 If a collateral source is exempt from subrogation or the obligation to reimburse the Trust as provided in
854 this section, the executive director may require that an individual who is entitled to medical services from
855 the collateral source first seek those services from that source before seeking those services from the Cape
856 Care Community Health Trust.

857 To the extent permitted by federal law, contractual retiree health benefits provided by employers shall be
858 subject to the same subrogation as other contracts, allowing the Trust to recover the cost of services
859 provided to individuals covered by the retiree benefits, unless and until arrangements are made to transfer
860 the revenues of the benefits directly to the Cape Care Community Health Trust.

861 Default, underpayment, or late payment of any tax, premium, or other obligation imposed by the Trust
862 shall result in the remedies and penalties provided by law, except as provided in this section

863 Eligibility for benefits shall not be impaired by any default, underpayment, or late payment of any tax,
864 premium, or other obligation imposed by the Cape Care Community Health Trust.

865 (9) The Cape Care Community Health Trust shall retain:

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

868 (b) payments from third party payers for covered services rendered by eligible providers to non-eligible
869 patients but paid for by the Cape Care Community Health Trust;

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

871 **Section 21: Insurance disclosure.**

872 Insurers regulated by the division of insurance, will be required to fully disclose, to prospective
873 purchasers residing in Barnstable county, clearly understandable information concerning the comparative
874 availability, scope of covered benefits, health care providers and ancillary services, of the Cape Care
875 Community Health Trust plan.

876

877

878 **Section 22: Health Trust regulatory authority.**

879

880 The Cape Care Community Health Trust shall adopt and promulgate regulations to implement the
881 provisions of this chapter. The initial regulations may be adopted as emergency regulations but those
882 emergency regulations shall be in effect only from the effective date of this chapter until the conclusion of
883 the transition period.

884

885 **Section 23: Implementation of the Health Care Trust.**

886 The first meeting of the Directors shall take place within ninety days of enactment of this legislation.

887

888 The Cape Care Community Health Trust shall complete its period of transition within two years of
889 enactment of this legislation. Full implementation of the benefit plan of the Cape Care Community Health
890 Trust shall be completed within three years of enactment of this legislation.

891