

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Robert P. Spellane

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 to ensure quality, affordability and access to primary and preventive health care, to eliminate health disparities, and to enhance economic growth throughout the Commonwealth.

PETITION OF:

NAME:

Robert P. Spellane

DISTRICT/ADDRESS:

13th Worcester

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2255 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO ENSURE QUALITY, AFFORDABILITY AND ACCESS TO PRIMARY AND PREVENTIVE HEALTH CARE, TO ELIMINATE HEALTH DISPARITIES, AND TO ENHANCE ECONOMIC GROWTH THROUGHOUT THE COMMONWEALTH.

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

1 SECTION 1. Chapter 6A of the General Laws, as most recently amended by section 3 of chapter
2 58 of the Acts of 2006, is hereby amended by adding the following new sections:-

3

4 Section 16P. The Secretary of Health and Human Services, jointly with the Commissioner of
5 Public Health, the Massachusetts League of Community Health Centers and the University of
6 Massachusetts Medical School and in consultation with other health professionals and
7 organizations, shall establish a State Health Service Corps for the purpose of uniting community
8 health centers with caring health professionals, and supporting community-based care at
9 community health centers. The goal of the State Health Service Corps shall be to provide
10 comprehensive team-based health care at community health centers that bridges geographic,

11 financial, cultural, and language barriers for the medically underserved. The State Health
12 Service Corp shall:

- 13 (a) Form partnerships with community health centers serving medically underserved areas or
14 populations, educational institutions, and community and professional organizations;
- 15 (b) Recruit caring, culturally competent clinicians for community health centers;
- 16 (c) Provide opportunities and professional experiences to students through a Scholarship and
17 Loan Repayment Program and a state SEARCH (Student/Resident Experiences and
18 Rotations in Community Health Centers) program;
- 19 (d) Work to establish systems of care that remain after an SHSC clinician departs; and
- 20 (e) Shape the way clinicians practice by building a community of dedicated health
21 professionals who continue to work with the underserved even after their SHSC
22 commitment has been fulfilled.

23 The scholarship and loan repayment program referenced in paragraph (b) shall fund loan
24 forgiveness or loan repayment programs for at least ten new primary care clinicians annually for
25 a period of three years per clinician and shall fund minimum loan forgiveness or repayment of
26 \$25,000 per clinician per year, in exchange for the clinician's commitment to practice full time
27 in one or more community health centers for three consecutive years.

28 Section 16Q. There is hereby established within the Executive Office of Health and
29 Human Services an Office of State Health Policy which shall be responsible for health access
30 and primary care development, planning, coordination and federal designations. Such office
31 shall serve as the primary care office for the Commonwealth and shall consult with the
32 Massachusetts League of Community Health Centers on responsibilities in connection with such

33 office. Such office shall enhance coordination on public health issues among state agencies,
34 municipal public health entities, and community health centers.

35

36 SECTION 2. Section 28A of chapter 7 of the General Laws, as appearing in the 2004 Official
37 Edition, is hereby amended by adding the following clause:

38 Said administrator may enter into agreements with the Massachusetts League of
39 Community Health Centers, for training or education programs for community health center
40 employees at state and community colleges, the University of Massachusetts or other educational
41 institutions, including continuing medical education programs; provided that such agreements
42 shall require that a portion of the cost of such training or program shall be paid for by said
43 employees.

44

45 SECTION 3. Chapter 29 of the General Laws, as most recently amended by section 8 of chapter
46 58 of the Acts of 2006, is hereby amended by adding the following sections:

47 Section 2SSS. There is hereby established and set up on the books of the commonwealth
48 a separate fund to be known as the Essential Community Health Center Trust Fund, in this
49 section called the trust fund. There shall be credited to the trust fund: (a) any funds that may be
50 appropriated or transferred for deposit into the trust fund; and (b) any income derived from
51 investment of amounts credited to the trust fund. In conjunction with the preparation of the
52 commonwealth's annual financial report, the comptroller shall prepare and issue an annual report
53 detailing the revenues and expenditures of the trust fund. The comptroller shall certify
54 payments, including payments during the accounts payable period, in anticipation of revenues,
55 including receivables due and collectibles during the months of July and August, from the trust

56 fund for the purpose of making authorized expenditures. The health safety net office shall
57 administer the trust fund and disburse funds from the trust fund for the purpose of payments to
58 community health centers under clause (12) of paragraph (b) of section 56 of chapter 118E and
59 any further regulations promulgated by the office.

60 Section 2TTT. There is hereby established and set up on the books of the commonwealth
61 a separate fund to be known as the Commonwealth Community Health Center Innovation and
62 Improvement Fund, in this section called the trust fund. There shall be credited to the trust fund:
63 (a) any funds that may be appropriated or transferred for deposit into the trust fund; and (b) any
64 income derived from investment of amounts credited to the trust fund. In conjunction with the
65 preparation of the commonwealth's annual financial report, the comptroller shall prepare and
66 issue an annual report detailing the revenues and expenditures of the trust fund. The comptroller
67 shall certify payments, including payments during the accounts payable period, in anticipation of
68 revenues, including receivables due and collectibles during the months of July and August, from
69 the trust fund for the purpose of making authorized expenditures.

70 The secretary of the executive office of health and human services shall administer the
71 trust fund, in consultation with the Massachusetts League of Community Health Centers and
72 Capital Link, and shall disburse funds from the trust fund for the purpose of issuing grants and
73 low-interest loans to independent and hospital-licensed community health centers for
74 expenditures related to:

75 1) creation, expansion or upgrade of electronic health records, computerized physician
76 order entry or other information technology;

77 (2) replacement of aging hardware, interfaces, upgrades, community-wide health
78 information exchange, or one-time support for loss of productivity during implementation of
79 electronic health records or computerized physician order entry;

80 (3) major capital projects undertaken by community health centers, including those for
81 which a grant under this section may leverage new market tax credits;

82 (4) routine capital, equipment or furniture needs, including equipment or furniture
83 replacement, and minor expansions of community health center programs or services;/
84

85 (5) construction and pre-development assistance and Capital Link administrative
86 expenses; and

87 (6) additional expenses that may be outlined in guidelines or regulations to be
88 promulgated by the secretary.

89 SECTION 4. Section 2 of chapter 32A, as most recently amended by section 9 of chapter 324 of
90 the Acts of 2006, is hereby further amended by inserting, after the words “connector authority”
91 the following words: a Massachusetts community health center, at the option of such health
92 center

93
94 SECTION 5. Chapter 62 of the General Laws, as appearing in the 2004 official edition, is
95 hereby amended by adding, after section 6J, the following section: --

96 Section 6K. (a) For the purposes of this section, unless the context clearly requires
97 otherwise, the following words shall have the following meanings:-

98 “Commissioner”, the commissioner of revenue.

99 “Community Development Entity”, a domestic corporation or partnership if (a) the
100 primary mission of the entity is serving, or providing investment capital for, Low-Income
101 Communities or Low-Income Persons; (b) the entity maintains accountability to residents of low-
102 income communities through their representation on any governing board of the entity or on any
103 advisory board to the entity; and (c) the entity is certified by the department as being a qualified
104 community development entity. A qualified community development entity may also be a
105 limited liability company that meets the above tests.

106 “Compliance period”, the period of 17 taxable years beginning with the first taxable year
107 the Massachusetts community health center new markets tax credit is claimed.

108 “Department”, the executive office of health and human services or its successor agency.

109 “Eligibility statement”, a statement authorized and issued by the department certifying
110 that a given project is a qualified Massachusetts community health center project. The
111 department shall, in consultation with the commissioner, promulgate regulations establishing
112 criteria upon which the eligibility statements will be issued. The eligibility statement shall
113 specify the maximum annual amount of the Massachusetts community health center new markets
114 tax credit authorized. The department shall only authorize the tax credits to qualified
115 Massachusetts projects which are placed in service on or after January 1, 2007.

116 “Federal new markets tax credit”, the federal tax credit as provided in section 45D of the
117 Internal Revenue Code, as amended and in effect for the taxable year.

118 “Community Health Center project”, a qualified community health center project, as
119 defined by the department consistent with the federal definition of a qualified active low-income
120 community business contained in section 45D of the Internal Revenue Code, as amended and in
121 effect for the taxable year, which is located in the commonwealth, which meets the requirements

122 of this section, and whose community health center enters into a regulatory agreement with the
123 department.

124 “Qualified Equity Investment”, means any equity investment in a community
125 development entity if (a) such investment is acquired by the investor at its original issue, directly
126 or through an underwriters, solely in exchange for cash; (b) substantially all of such cash is used
127 by the community development entity to make qualified low-income community investments;
128 and (c) the investment is designated for purposes of this section by the community development
129 entity as a qualified equity investment. Qualified equity investment also includes the purchase of
130 a Qualified Equity Investment from a prior holder, to the extent provided in IRC section
131 45D(b)(4). Qualified equity investment does not include an equity investment issued by a
132 community development entity more than five years after the date the community development
133 entity receives a new markets tax credit allocation. Any allocation not used within such five year
134 period may be reallocated by the department. For purposes of this section, “equity investment”
135 means (a) any stock, other than nonqualified preferred stock as defined in IRC section 351(g)(2))
136 in a corporation and (b) any capital interest in a partnership. An LLC shall be deemed to be
137 either a corporation or a partnership according to the LLC’s treatment under federal tax law.

138 “Regulatory agreement”, an agreement between the community health center of the
139 qualified Community Health Center project and the department. Such agreement may be
140 subordinated to the lien of a bank or other institutional lender providing financing to the
141 qualified Massachusetts project, upon the request of such bank or lender.

142 “Taxpayer”, a person, firm, partnership or other entity subject to the income tax imposed
143 by the provisions of this chapter.

144 (b)(1) There is hereby established a Massachusetts community health center new markets
145 tax credit. The department may authorize annually, for the 10 year period beginning January 1,
146 2007, and ending December 31, 2017, under this section together with section 31L of chapter
147 63, the total sum of 50 per cent of the federal new markets tax credits provided to any taxpayer in
148 exchange for making a qualified equity investment that benefits an eligible Massachusetts
149 community health center pursuant to section 45D of the Internal Revenue Code, as amended and
150 in effect for the taxable year; (2) unused community health center new markets tax credits, if
151 any, for the preceding calendar years; and (3) any Massachusetts community health center new
152 markets tax credits returned to the department by a qualified Massachusetts Community Health
153 Center project.

154 Allowance of the credit, including the amount of the credit, applicable percentage, and
155 credit allowance date, shall be determined consistent with the provisions of paragraph (a) of
156 section 45D of the Internal Revenue Code

157 (2) Unless otherwise provided in this section or the context clearly requires otherwise, the
158 department shall authorize, administer, determine eligibility for the Massachusetts community
159 health center new markets tax credit and allocate the credit consistent with the standards and
160 requirements as set forth in section 45D of the Internal Revenue Code; provided, however, that
161 the combined federal and Massachusetts community health center new markets tax credit shall
162 be the least amount necessary to ensure financial feasibility.

163 (3) The department shall allocate the total available Massachusetts community health
164 center new markets tax credit among as many qualified Massachusetts community health center
165 projects as fiscally feasible, with the goal of strengthening the commonwealth's community
166 health centers.

167 (c)(1) A taxpayer may be allowed a state tax credit with respect to a qualified
168 Massachusetts community health center project that also benefits from a federal new markets tax
169 credit, provided that the department issues an eligibility statement for that qualified
170 Massachusetts community health center project. This state tax credit shall be termed the
171 Massachusetts community health center new markets tax credit.

172 (2) The total Massachusetts community health center new markets tax credit available to
173 a qualified Massachusetts community health center project shall be authorized and allocated by
174 the department, or its successor agency, based on the qualified Massachusetts community health
175 center project's need for the credit for economic feasibility.

176 (3) The Massachusetts community health center new markets tax credit shall be taken
177 against the taxes imposed under this chapter, claimed equally for seven years, subtracted from
178 the amount of state tax otherwise due for each taxable period and shall not be refundable. Any
179 amount of the community health center new markets tax credit that exceeds the tax due for a
180 taxable year may be carried forward to any of the seven subsequent taxable years.

181 (4) All or any portion of tax credits issued in accordance with the provisions of this
182 section may be allocated to parties who are eligible under the provisions of paragraph (1) of
183 subsection (c). The Community Development Entity that provides federal new markets tax
184 credits to benefit a qualified Massachusetts community health center project shall certify to the
185 commissioner the amount of credit allocated to such taxpayer. The Community Development
186 Entity shall provide to the commissioner appropriate information so that the community health
187 center new markets tax credit can be properly allocated.

188 (5) In the event that recapture of Massachusetts community health center new markets tax
189 credit is required pursuant to paragraph (1) or (2) of subsection (d), any statement submitted to

190 the commissioner as provided in subsection (c) shall include the proportion of the state credit
191 required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of
192 credit previously allocated to such taxpayer.

193 (6) The director of the department, in consultation with the commissioner, shall
194 promulgate regulations necessary to administer the provisions of this paragraph.

195 (d)(1) The taxpayer investing in a project to benefit a qualified Massachusetts community
196 health center project eligible for the Massachusetts community health center new markets tax
197 credit shall submit, at the time of filing the taxpayer's state tax return, a copy of the eligibility
198 statement issued by the department with respect to such qualified Massachusetts community
199 health center project. In the case of failure to attach the eligibility statement, a credit under this
200 section shall not be allowed with respect to such qualified Massachusetts community health
201 center project for that year until the copy is provided to the department of revenue.

202 (2) If under Section 45D of the Internal Revenue Code, as amended, a portion of any
203 federal new markets tax credits is required to be recaptured, the Massachusetts community health
204 center new markets tax credit authorized by this section with respect to such qualified
205 Massachusetts community health center project shall also be recaptured in accordance with
206 regulations promulgated by the commissioner.

207 (e) The commissioner or the department, through the promulgation of regulations, may
208 require the filing of additional documentation necessary to determine the eligibility or accuracy
209 of a tax credit claimed under the provisions of this section.

210 (f)(1) All or any portion of tax credits issued in accordance with the provisions of this
211 section may be transferred, sold or assigned to parties who are eligible under the provisions of
212 paragraph (1) of subsection (c).

213 (2) An owner or transferee desiring to make a transfer, sale or assignment as described in
214 paragraph (1) of subsection (f) shall submit to the commissioner a statement which describes the
215 amount of Massachusetts community health center new markets tax credit for which such
216 transfer, sale or assignment of Massachusetts community health center new markets tax credit is
217 eligible. The owner shall provide to the commissioner appropriate information so that said tax
218 credit can be properly allocated.

219 (3) In the event that recapture of the tax credit is required pursuant to paragraph (1) or
220 (2) of subsection (d), any statement submitted to the commissioner as provided in paragraph (2)
221 of subsection (f) shall include the proportion of the Massachusetts community health center new
222 markets tax credit required to be recaptured, the identity of each transferee subject to recapture
223 and the amount of credit previously transferred to such transferee.

224 (4) The commissioner, in consultation with the department, shall promulgate regulations
225 necessary for the administration of the provisions of paragraph (f).

226 (g) The department, in consultation with the commissioner, shall monitor and oversee
227 compliance with the Massachusetts community health center new markets tax credit program and
228 may promulgate regulations requiring the filing of additional documentation deemed necessary
229 to determine continuing eligibility for the tax credit. The department or the commissioner shall
230 report specific occurrences of noncompliance to appropriate state, federal and local authorities.

231 (i) The department may provide that upon application for state tax credits issued by the
232 department, such taxpayer may elect to receive such state tax credit in the form of a loan
233 generated by transferring the credit to the department or its designee on terms specified by the
234 department in accordance with its qualified allocation plan. Neither a direct tax refund nor a loan

235 received as the result of the transfer of the credit shall be considered taxable income under this
236 chapter.

237 (j) The department may pursue methods of enhancing the efficiency of the Massachusetts
238 community health center new markets tax credit program including but not limited to:—
239 pursuing opinions from the United States department of treasury’s internal revenue service in the
240 form of general counsel memoranda, private letter rulings and other notices, rulings or
241 guidelines; by reviewing other state tax programs which utilize an option for taxpayers to receive
242 such tax credit in the form of a loan generated by transferring the credit to a designated state
243 entity; and any other such methods.

244

245 SECTION 6. Chapter 63 of the General Laws, as appearing in the 2004 official edition, is
246 hereby amended by adding, after section 31K, the following section: --

247 Section 31L. (a) For the purposes of this section, unless the context clearly requires
248 otherwise, the following words shall have the following meanings:-

249 “Commissioner”, the commissioner of revenue.

250 “Community Development Entity”, a domestic corporation or partnership if (a) the
251 primary mission of the entity is serving, or providing investment capital for, Low-Income
252 Communities or Low-Income Persons; (b) the entity maintains accountability to residents of low-
253 income communities through their representation on any governing board of the entity or on any
254 advisory board to the entity; and (c) the entity is certified by the department as being a qualified
255 community development entity. A qualified community development entity may also be a
256 limited liability company that meets the above tests.

257 “Compliance period”, the period of 17 taxable years beginning with the first taxable year
258 the Massachusetts community health center new markets tax credit is claimed.

259 “Department”, the executive office of health and human services or its successor agency.

260 “Eligibility statement”, a statement authorized and issued by the department certifying
261 that a given project is a qualified Massachusetts community health center project. The
262 department shall, in consultation with the commissioner, promulgate regulations establishing
263 criteria upon which the eligibility statements will be issued. The eligibility statement shall
264 specify the maximum annual amount of the Massachusetts community health center new markets
265 tax credit authorized. The department shall only authorize the tax credits to qualified
266 Massachusetts projects which are placed in service on or after January 1, 2007.

267 “Federal new markets tax credit”, the federal tax credit as provided in section 45D of the
268 Internal Revenue Code, as amended and in effect for the taxable year.

269 “Community Health Center project”, a qualified community health center project, as
270 defined by the department consistent with the federal definition of a qualified active low-income
271 community business contained in section 45D of the Internal Revenue Code, as amended and in
272 effect for the taxable year, which is located in the commonwealth, which meets the requirements
273 of this section, and whose community health center enters into a regulatory agreement with the
274 department.

275 “Qualified Equity Investment”, means any equity investment in a community
276 development entity if (a) such investment is acquired by the investor at its original issue, directly
277 or through an underwriters, solely in exchange for cash; (b) substantially all of such cash is used
278 by the community development entity to make qualified low-income community investments;
279 and (c) the investment is designated for purposes of this section by the community development

280 entity as a qualified equity investment. Qualified equity investment also includes the purchase of
281 a Qualified Equity Investment from a prior holder, to the extent provided in IRC section
282 45D(b)(4). Qualified equity investment does not include an equity investment issued by a
283 community development entity more than five years after the date the community development
284 entity receives a new markets tax credit allocation. Any allocation not used within such five year
285 period may be reallocated by the department. For purposes of this section, “equity investment”
286 means (a) any stock, other than nonqualified preferred stock as defined in IRC section 351(g)(2))
287 in a corporation and (b) any capital interest in a partnership. An LLC shall be deemed to be
288 either a corporation or a partnership according to the LLC’s treatment under federal tax law.

289 “Regulatory agreement”, an agreement between the community health center of the
290 qualified Community Health Center project and the department. Such agreement may be
291 subordinated to the lien of a bank or other institutional lender providing financing to the
292 qualified Massachusetts project, upon the request of such bank or lender.

293 “Taxpayer”, a person, firm, partnership or other entity subject to the income tax imposed
294 by the provisions of this chapter.

295 (b)(1) There is hereby established a Massachusetts community health center new markets
296 tax credit. The department may authorize annually, for the 10 year period beginning January 1,
297 2007, and ending December 31, 2017, under this section together with section 6K of chapter 62,
298 the total sum of 50 per cent of the federal new markets tax credits provided to any taxpayer in
299 exchange for making a qualified equity investment that benefits an eligible Massachusetts
300 community health center pursuant to section 45D of the Internal Revenue Code, as amended and
301 in effect for the taxable year; (2) unused community health center new markets tax credits, if
302 any, for the preceding calendar years; and (3) any Massachusetts community health center new

303 markets tax credits returned to the department by a qualified Massachusetts Community Health
304 Center project.

305 Allowance of the credit, including the amount of the credit, applicable percentage, and
306 credit allowance date, shall be determined consistent with the provisions of paragraph (a) of
307 section 45D of the Internal Revenue Code

308 (2) Unless otherwise provided in this section or the context clearly requires otherwise, the
309 department shall authorize, administer, determine eligibility for the Massachusetts community
310 health center new markets tax credit and allocate the credit consistent with the standards and
311 requirements as set forth in section 45D of the Internal Revenue Code; provided, however, that
312 the combined federal and Massachusetts community health center new markets tax credit shall
313 be the least amount necessary to ensure financial feasibility.

314 (3) The department shall allocate the total available Massachusetts community health
315 center new markets tax credit among as many qualified Massachusetts community health center
316 projects as fiscally feasible, with the goal of strengthening the commonwealth's community
317 health centers.

318 (c)(1) A taxpayer may be allowed a state tax credit with respect to a qualified
319 Massachusetts community health center project that also benefits from a federal new markets tax
320 credit, provided that the department issues an eligibility statement for that qualified
321 Massachusetts community health center project. This state tax credit shall be termed the
322 Massachusetts community health center new markets tax credit.

323 (2) The total Massachusetts community health center new markets tax credit available to
324 a qualified Massachusetts community health center project shall be authorized and allocated by

325 the department, or its successor agency, based on the qualified Massachusetts community health
326 center project's need for the credit for economic feasibility.

327 (3) The Massachusetts community health center new markets tax credit shall be taken
328 against the taxes imposed under this chapter, claimed equally for seven years, subtracted from
329 the amount of state tax otherwise due for each taxable period and shall not be refundable. Any
330 amount of the community health center new markets tax credit that exceeds the tax due for a
331 taxable year may be carried forward to any of the seven subsequent taxable years.

332 (4) All or any portion of tax credits issued in accordance with the provisions of this
333 section may be allocated to parties who are eligible under the provisions of paragraph (1) of
334 subsection (c). The Community Development Entity that provides federal new markets tax
335 credits to benefit a qualified Massachusetts community health center project shall certify to the
336 commissioner the amount of credit allocated to such taxpayer. The Community Development
337 Entity shall provide to the commissioner appropriate information so that the community health
338 center new markets tax credit can be properly allocated.

339 (5) In the event that recapture of Massachusetts community health center new markets tax
340 credit is required pursuant to paragraph (1) or (2) of subsection (d), any statement submitted to
341 the commissioner as provided in subsection (c) shall include the proportion of the state credit
342 required to be recaptured, the identity of each taxpayer subject to the recapture and the amount of
343 credit previously allocated to such taxpayer.

344 (6) The director of the department, in consultation with the commissioner, shall
345 promulgate regulations necessary to administer the provisions of this paragraph.

346 (d)(1) The taxpayer investing in a project to benefit a qualified Massachusetts community
347 health center project eligible for the Massachusetts community health center new markets tax

348 credit shall submit, at the time of filing the taxpayer's state tax return, a copy of the eligibility
349 statement issued by the department with respect to such qualified Massachusetts community
350 health center project. In the case of failure to attach the eligibility statement, a credit under this
351 section shall not be allowed with respect to such qualified Massachusetts community health
352 center project for that year until the copy is provided to the department of revenue.

353 (2) If under Section 45D of the Internal Revenue Code, as amended, a portion of any
354 federal new markets tax credits is required to be recaptured, the Massachusetts community health
355 center new markets tax credit authorized by this section with respect to such qualified
356 Massachusetts community health center project shall also be recaptured in accordance with
357 regulations promulgated by the commissioner.

358 (e) The commissioner or the department, through the promulgation of regulations, may
359 require the filing of additional documentation necessary to determine the eligibility or accuracy
360 of a tax credit claimed under the provisions of this section.

361 (f)(1) All or any portion of tax credits issued in accordance with the provisions of this
362 section may be transferred, sold or assigned to parties who are eligible under the provisions of
363 paragraph (1) of subsection (c).

364 (2) An owner or transferee desiring to make a transfer, sale or assignment as described in
365 paragraph (1) of subsection (f) shall submit to the commissioner a statement which describes the
366 amount of Massachusetts community health center new markets tax credit for which such
367 transfer, sale or assignment of Massachusetts community health center new markets tax credit is
368 eligible. The owner shall provide to the commissioner appropriate information so that said tax
369 credit can be properly allocated.

370 (3) In the event that recapture of the tax credit is required pursuant to paragraph (1) or
371 (2) of subsection (d), any statement submitted to the commissioner as provided in paragraph (2)
372 of subsection (f) shall include the proportion of the Massachusetts community health center new
373 markets tax credit required to be recaptured, the identity of each transferee subject to recapture
374 and the amount of credit previously transferred to such transferee.

375 (4) The commissioner, in consultation with the department, shall promulgate regulations
376 necessary for the administration of the provisions of paragraph (f).

377 (g) The department, in consultation with the commissioner, shall monitor and oversee
378 compliance with the Massachusetts community health center new markets tax credit program and
379 may promulgate regulations requiring the filing of additional documentation deemed necessary
380 to determine continuing eligibility for the tax credit. The department or the commissioner shall
381 report specific occurrences of noncompliance to appropriate state, federal and local authorities.

382 (i) The department may provide that upon application for state tax credits issued by the
383 department, such taxpayer may elect to receive such state tax credit in the form of a loan
384 generated by transferring the credit to the department or its designee on terms specified by the
385 department in accordance with its qualified allocation plan. Neither a direct tax refund nor a loan
386 received as the result of the transfer of the credit shall be considered taxable income under this
387 chapter.

388 (j) The department may pursue methods of enhancing the efficiency of the Massachusetts
389 community health center new markets tax credit program including but not limited to:—
390 pursuing opinions from the United States department of treasury's internal revenue service in the
391 form of general counsel memoranda, private letter rulings and other notices, rulings or
392 guidelines; by reviewing other state tax programs which utilize an option for taxpayers to receive

393 such tax credit in the form of a loan generated by transferring the credit to a designated state
394 entity; and any other such methods.

395

396 SECTION 7. Section 51 of chapter 111 of the General Laws, as appearing in the 2004 Official
397 Edition, is hereby amended by inserting in line 5 after the word "clinic" the following words: --
398 which term shall include under this section a clinic which as been designated by the department
399 as a community health center pursuant to section 57E of this chapter,

400

401 SECTION 8. Said chapter 111, as so appearing, is hereby further amended by inserting after
402 section 57D, the following new section:-

403 Section 57E. The department shall, after a public hearing, promulgate rules and regulations
404 for the licensing and conduct of community health centers. For the purpose of this section, the
405 following words shall have the following meanings:

406 "community health center under independent licensure", a clinic which is designated as a
407 community health center by the department for meeting the following requirements: (a) is
408 licensed as a freestanding clinic by the department pursuant to section 51 of chapter 111 of the
409 general laws; (b) meets the qualifications for certification, or provisional certification, by the
410 division of medical assistance, enters into a provider agreement pursuant to 130 CMR 405.404 or
411 any successor provision thereto and is eligible to receive payments from the Uncompensated
412 Care Pool Trust Fund or the Health Safety Net Trust Fund; (c) operates in conformance with the
413 requirements of 42 U.S.C. section 254b; (d) files cost reports if so requested by the division of
414 health care finance and policy; and (e) provides at a minimum the following basic services: (i)
415 primary care services including adult/internal medicine, pediatrics (directly or through formal

416 contractual arrangements) and obstetrics (directly or through formal contractual arrangements);
417 (ii) ancillary services including social services, case management and nutritional counseling; and
418 (iii) community outreach and public health programming through contracts, grants or other
419 funding to populations at risk. Notwithstanding the above, organizations which do not meet the
420 requirements of sections (a) or (c) above, but have been designated "community health centers"
421 by both the division of medical assistance and the division of health care finance and policy prior
422 to January 1, 2006 shall continue to be designated as community health centers under
423 independent licensure, provided that they continue to meet the requirements of sections (b), (d)
424 and (e) above.

425 "community health center under hospital licensure", a clinic which provides
426 comprehensive ambulatory services and which is designated as a community
427 health center by the department for meeting the following requirements: (a) is licensed as an
428 outpatient clinic by the Massachusetts department of public health pursuant to section 51 of
429 chapter 111 of the general laws; (b) meets the qualifications for certification (or provisional
430 certification) by the division of medical assistance, enters into a provider agreement pursuant to
431 130 CMR 410.404 or any successor provision thereto and is eligible to receive payments from
432 the Uncompensated Care Pool Trust Fund or the Health Safety Net Trust Fund; (c) is licensed
433 under the license of a parent hospital, which hospital has a formal written relationship with a not-
434 for-profit corporation which operates the health center, the board of which is comprised of a
435 majority of consumers or which meets the requirements of the subsections (i) and (ii) of section
436 330(j)(3)(H) of the Public Health Service Act (42 USC section 254(b)(j)(3)(H)) or any successor
437 provision thereto); and (d) provides at a minimum the following basic services: (i) primary care
438 services including adult/internal medicine, pediatrics (directly or through formal contractual

439 arrangements) and obstetrics (directly or through formal contractual arrangements); (ii) ancillary
440 services including social services, case management and nutritional counseling; and (iii)
441 community outreach and public health programming through contracts, grants or other funding
442 to populations at risk. Notwithstanding the above, clinics which do not meet the requirements of
443 section (c) above, but which were designated as "community health centers" by both the division
444 of medical assistance and the department of public health prior to January 1, 2006, shall continue
445 to be designated as community health centers under hospital licensure, provided they continue to
446 satisfy the requirements of sections (a), (b) and (d) above.

447
448 SECTION 9. Section 45A of chapter 112 of the General Laws, as appearing in the 2004 official
449 edition, is hereby amended by inserting, after the words "faculty member" in line 18, the
450 following words: -- or is employed by a Massachusetts community health center

451
452 SECTION 10. Section 55 of chapter 118E of the General Laws, as inserted by section 30 of
453 chapter 58 of the acts of 2006, is hereby amended by the striking the definition of "community
454 health center" and inserting in place thereof the following definition:- a community health center
455 described under section 57E of chapter 111 of the general laws.

456
457 SECTION 11. Subsection (b) of section 56 of chapter 118E , as inserted by section 30 of chapter
458 58 of the Acts of 2006, is hereby amended by adding, at the end thereof, the following new
459 paragraph:

460 (12) to administer the Essential Community Health Center Trust Fund, established by
461 section 2SSS of chapter 29, and to make expenditures from that fund without further

462 appropriation for the purpose of improving and enhancing the ability of all community health
463 centers, including free-standing and hospital-licensed community health centers, to serve
464 populations in need more efficiently and effectively, including, but not limited to improving the
465 ability of community health centers to provide community-based primary and preventive care,
466 clinical support, care coordination services, disease management services, pharmacy
467 management services, and to eliminate health disparities through a grant program. The office
468 shall consider and respond to the applications of each community health center in awarding the
469 grants, and shall annually equitably apportion grant awards among all applying community
470 health centers. At least thirty days prior to awarding grants to community health centers, the
471 office shall provide a copy of the proposed awards to the chairs of the Joint Committee on Health
472 Care Financing, and the chairs of the House and Senate Committees on Ways and Means.

473 The criteria for grant awards shall include, but not be limited to, the following criteria:—

- 474 1. the financial performance of the community health center, including current fiscal year
475 losses;
- 476 2. the numbers of patients served who are chronically ill, are pregnant, elderly, or disabled;
- 477 3. the payer mix of the community health center;
- 478 4. operating costs, and the percentage of total annual operating revenue that funding
479 received in fiscal years 2005, 2006, and 2007 from the Distressed Provider Expendable
480 Trust Fund or the Essential Community Provider Trust fund comprised for the
481 community health center;
- 482 5. the cultural and linguistic challenges presented by the populations served;
- 483 6. the availability of early periodic screening, diagnosis and treatment (EPSDT) services,
484 340B pharmacy, urgent care, or emergency department diversion services;

- 485 7. the need for urgent replacement or upgrades in equipment, furniture or physical space;
486 and
487 8. other criteria as may be established by the office, in consultation with the Massachusetts
488 League of Community Health Centers.

489 Amounts available to community health centers under this paragraph shall, at a minimum, be
490 equal to one half of the amount of funding made available to all providers under section 95 of
491 chapter 139 of the Acts of 2006.

492
493 SECTION 12. Paragraph 5 of subsection (a) of Section 60 of said chapter 118E, as so
494 appearing, is hereby amended by inserting, before the word “uninsured” the following words: --
495 underinsured and

496
497 SECTION 13. Said paragraph 5 of said subsection (a) of said Section 60 of said chapter 118E,
498 as so appearing, is hereby amended by adding the following sentence. The office shall pay for:
499 an individual’s initial visit to a health center if such visit is not covered by other public or private
500 third-party payer; medically necessary services that are not covered by Commonwealth Care,
501 including medically necessary dental services; and one hundred per cent of the cost of all
502 medical, outreach, behavioral health, dental, radiology, pharmacy, laboratory and other services
503 provided to patients.

504
505 SECTION 14. General Laws chapter 118E is hereby amended by adding at the end thereof, the
506 following new section.

507 Section 61. (a) Community health centers reimbursed under this chapter shall receive: 1)
508 at least 100% of the Medicare federally qualified health center rate for all services provided to
509 patients, including medical, dental, behavioral health, laboratory, radiology, pharmacy and other
510 services; 2) annual reimbursement increases consistent with the annual reimbursement increases
511 provided by Medicare; 3) wrap-around reimbursement for case management of patients in need
512 of chronic disease management, including but not limited to prenatal care, cardiovascular care,
513 asthma care or other case management; 4) reimbursement for each service provided to a patient,
514 including multiple services provided to a patient in a single day; 5) adequate reimbursement for
515 needed social service care provided to patients; 6) reimbursement for smoking cessation services;
516 and 7) reimbursement for all costs associated with diabetes care, including care management
517 costs, in addition to reimbursements required under section 10C for the diagnosis and treatment
518 of diabetes.

519 (b) The executive office of health and human services or the division shall also provide
520 reimbursement to community health centers for all costs associated with ongoing and necessary
521 customer service training, interpreter services training and cultural competency training.

522 Section 62. The commonwealth shall reimburse all Medicaid managed care organizations
523 according to the same methodology and at the same level within the actuarially sound range, as
524 set by independent actuaries.

525
526 SECTION 15. Section 1 of chapter 118G of the General Laws, as most recently amended by
527 section 37 of chapter 9 of the acts of 2003, is hereby amended by the striking the definition of
528 "community health center" and inserting in place thereof the following definition:- A community
529 health center described under section 57E of chapter 111 of the general laws.

530

531 SECTION 16. Section 2 of chapter 118H of the General Laws, as inserted by section 45 of
532 chapter 58 of the Acts of 2006, is hereby amended by inserting, after the third sentence, the
533 following sentence: -- Premium contribution payments made by eligible individuals who enroll
534 in a health plan shall not exceed the premium contribution payment established by the board for
535 the lowest cost plan fore each plan type approved by the board.

536

537 SECTION 17. Said section 2 of said chapter 118H of the General Laws, as so appearing, is
538 hereby amended by inserting, after the word “hospitals” the following words: -- and community
539 health centers

540

541 SECTION 18. Said section 2 of said chapter 118H of the General Laws, as so appearing, is
542 hereby amended by adding, at the end thereof, the following sentence: -- Any assignment of
543 eligible individuals to a carrier under this chapter shall give preference to maintaining the
544 relationship of an eligible individual to a particular provider. An outreach plan developed under
545 this section shall take into account regional needs statewide, and the number of uninsured and
546 underinsured individuals served by a provider and efforts necessary by such provider to
547 maximize enrollment in the program, including assisting eligible individuals in selecting a health
548 plan.

549

550 SECTION 19. Section 6 of chapter 118H of the General Laws, as inserted by section 45 of
551 chapter 58 of the Acts of 2006, is hereby amended by striking the figure “100” wherever it
552 appears, and inserting in place thereof the figure: -- 200

553

554 SECTION 20. Paragraph (14) of subsection (a) of section 3 of chapter 176Q of the general laws,
555 as inserted by section 101 of chapter 58 of the Acts of 2006, is hereby amended by inserting, at
556 the end thereof, the following sentence:

557 The board shall give special focus and sensitivity to barriers and limitations that impact
558 special populations, including but not limited to homeless and disabled populations.

559

560 SECTION 21. Subsection (a) of Section 3 of chapter 176Q, as inserted by section 101 of chapter
561 58 of the Acts of 2006, is hereby amended by adding the following clause: --

562 (15) to establish and quarterly publish performance standards for companies and firms
563 that contract with the connector to provide administrative, customer service, call center, billing
564 or administrative services.

565

566 SECTION 22. Section 5 of chapter 176Q, as so appearing, is hereby amended by striking out
567 clause (a) and inserting, in place thereof, the following clause:

568 (a) Only health insurance plans that have been authorized by the commissioner and
569 underwritten by a carrier may be offered through the connector; provided, however, that health
570 benefit plans offered through the commonwealth care health insurance program shall provide for
571 comprehensive dental services.

572

573 SECTION 23. Notwithstanding any law to the contrary, any individual enrolled in MassHealth
574 shall have the option of enrolling in one of the four Medicaid managed care organizations
575 referenced in section 60 of chapter 324 of the Acts of 2006.

576

577 SECTION 24. The secretary of the executive office of health and human services, in
578 consultation with the commissioner of public health, the secretary of labor and workforce
579 development, the special advisor to the Governor for education, and the chairs and ranking
580 minority members of the legislature's joint committee on public health and joint committee on
581 labor and workforce development, shall convene a workforce development task force to examine
582 the primary care clinician shortage, including providers in family practice, general internal
583 medicine and general pediatrics, and to increase the pipeline for primary care providers and other
584 health care professionals needed in community health centers and other primary care settings,
585 including, but not limited to: physicians, nurses, optometrists, psychiatrists and other behavioral
586 health clinicians, and dentists. The task force shall make recommendations by July 1, 2007
587 aimed at eliminating said shortage and increasing said pipeline. The task force shall include
588 representatives of community health centers, hospitals, health plans, physician and nursing
589 organizations; labor, business, civic and consumer representatives; representatives of state and
590 private colleges and universities, including community colleges and the University of
591 Massachusetts Medical School; and other organizations and individuals who may be identified
592 by said secretaries, advisor, commissioner, chairs or ranking minority members. The task force
593 shall be convened within 30 days of the passage of this section and shall meet at least monthly.

594 The task force shall, at a minimum, examine the following:

595 (1) cost-effective strategies designed to recruit and retain key health professionals at
596 community health centers and other primary care and community-based settings, which shall
597 include but not be limited to developing mentoring or sabbatical programs for practitioners in
598 primary care;

599 (2) the feasibility, costs and savings associated with career-ladder and other incentive
600 programs in community health centers and other primary care and community-based settings;

601 (3) enhancement of tuition reimbursement, scholarship, loan-forgiveness programs and
602 state repayment of loans for primary care clinicians and other health professionals;

603 (4) opportunities to maximize partnerships and initiatives with medical schools and other
604 higher education institutions to maximize the number of graduates choosing primary care,
605 including family practice, general internal medicine, and general pediatrics;

606 (5) opportunities to capitalize on existing Massachusetts state and community college
607 workforce programs and creating new workforce development programs;

608 (6) barriers to attracting and retaining health care faculty, with particular focus on clinical
609 practice salaries as compared to higher education faculty salaries;

610 (7) incentives to attract and retain health care faculty;

611 (8) opportunities for administrative streamlining for primary care clinicians and
612 identification of the range of barriers to primary care practice;

613 (9) opportunities for streamlining licensing, credentialing and other requirements;

614 (10) programs designed to recruit culturally competent physicians and other health care
615 workers to help reduce health disparities;

616 (11) opportunities to “pool” community-based practitioners to alleviate temporary staff
617 losses;

618 (12) creation of a forecasting tool to assess future workforce needs before critical
619 shortages occur;

620 (13) creation of compensation and benefit strategies that encourage care in community
621 health centers and community-based settings; and

622 (14) identification of other strategies and opportunities aimed at protecting the supply of
623 primary care clinicians in the Commonwealth and increasing the pipeline for all providers
624 needed in primary care settings. The task force shall complete its recommendations, including
625 any recommendations for legislative or regulatory changes, by July 1, 2007 and shall file its
626 recommendations with the house and senate clerks, the joint committees on public health, health
627 care financing, and labor and workforce development, and the house and senate committees on
628 ways and means.

629
630 SECTION 25. The State Loan Repayment Program administered by the Bureau of Family and
631 Community Health in the Department of Public Health shall annually increase amounts payable
632 under said program and shall annually publish the amounts available and awards issued under
633 said program. For purposes of fulfilling the requirements of such loan repayment, qualifying
634 community health centers may partner with other community health centers in employing
635 qualifying clinicians in order to allow said clinicians to fulfill the requirement of forty hours
636 weekly of employment in a medically underserved area. In fiscal year 2008, amounts available
637 under said program shall be increased to at least two times greater than amounts available in
638 fiscal year 2007.

639
640 SECTION 26. Notwithstanding any general or special law, rule or regulation to the contrary,
641 and in order to achieve efficiencies and minimize the impact on community health center staff
642 and patients, the department of public health shall consolidate and streamline into a single annual
643 audit all audits of Department of Public Health programs that are conducted at community health
644 centers.

645

646 SECTION 27. Notwithstanding any general or special law, rule or regulation to the contrary,
647 community health centers shall be exempt from all state fees that would otherwise require
648 payment by the community health center to the Commonwealth.

649

650 SECTION 28. Emergency preparedness efforts undertaken in the Commonwealth and allocation
651 of resources in connection with such efforts shall recognize the essential role of community
652 health centers in: 1) ongoing participation and coordination of emergency planning, training and
653 preparedness efforts; 2) providing outpatient care in the event of a pandemic or other disaster and
654 preventing severe overcrowding in hospital emergency departments; 3) responding to special
655 populations including non-English speaking, low income and elderly residents who live in the
656 neighborhoods where community health centers are located; 4) collaborating with local boards of
657 health and with statewide surge capacity planners; and 5) serving as potential vaccination site or
658 site for mass dispensing of needed pharmaceuticals. Allocation of resources shall take into
659 account the needs of community health centers, including staffing, communications equipment,
660 emergency generators, emergency response kits, including masks, hard hats, safety goggles, face
661 shields, hearing protection, eye wash, and hand sanitizers; pharmaceutical and other medical
662 supplies, and guidebooks and essential publications on mass casualty care strategies, chemical
663 and biological terrorism, hazardous materials incidents, crisis communication, school safety,
664 facility security and other issues.

665

666 SECTION 29. The Executive Office of Health and Human Services shall consult and
667 collaborate with community health centers and others on continued efforts to:

- 668 (1) eliminate health disparities;
- 669 (2) improve MassHealth and Commonwealth Care customer service for patients and
670 providers, including: (a) achieving efficiencies in claims and billing efforts by establishing a
671 uniform billing system for all programs administered under chapter 118E; (b) improving the
672 process of coordination of benefits at MassHealth; and (c) improving telephone waiting times
673 and establishing evening hours for the MassHealth Enrollment Center.
- 674 (2) monitor the impact of provisions in the federal Deficit Reduction Act on providers
675 and patients;
- 676 (3) utilize the MassHealth prescription drug formulary and reimbursement schedule for
677 individuals accessing pharmacy services through the Uncompensated Care Pool or the Health
678 Safety Net Trust Fund.
- 679 (4) establish a community-based research program, including community-based
680 participatory research within the Executive Office of Health and Human Services;
- 681 (5) create community-based trauma and violence prevention strategies;
- 682 (6) increase school-based health center services;
- 683 (7) expand the Commonwealth's PACE program; and
- 684 (8) maximize public health funding for DPH programs located and implemented at
685 community health center sites, including funding that recognizes the costs of housing such
686 programs.

687

688 SECTION 30. Within three years from the effective date of this act, community health centers
689 shall be reimbursed for one hundred per cent of reasonable costs incurred in the care of patients
690 receiving services under chapter 118E, 118G and 118H of the General Laws. Medicaid managed

691 care organizations that contract with such health centers shall receive payments from the
692 Commonwealth sufficient to cover such costs.

693