

**SENATE . . . . . No. 01105**

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The Commonwealth of Massachusetts

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PRESENTED BY:

*John Hart, Jr.*

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*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:

*John Hart, Jr.*

DISTRICT/ADDRESS:

*First Suffolk*

**SENATE . . . . . No. 01105**

By Mr. Hart, petition (accompanied by bill, Senate, No. 1105) of Hart for legislation to establish a state health service corps within the Executive Office of Health and Human Services to ensure the quality, affordability and access to primary and preventive health care throughout the Commonwealth [Joint Committee on Public Health].

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
□ HOUSE  
□ , NO. 2163 OF 2009-2010.]

The Commonwealth of Massachusetts

\_\_\_\_\_  
**In the Year Two Thousand Eleven**  
\_\_\_\_\_

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  
2 chapter 58 of the Acts of 2006, is hereby amended by adding the following new sections:-

3 Section 16P. The Secretary of Health and Human Services, jointly with the  
4 Commissioner of Public Health, the Massachusetts League of Community Health Centers and  
5 the University of Massachusetts Medical School and in consultation with other health  
6 professionals and organizations, shall establish a State Health Service Corps for the purpose of  
7 uniting community health centers with caring health professionals, and supporting community-

8 based care at community health centers. The goal of the State Health Service Corps shall be to  
9 provide comprehensive team-based health care at community health centers that bridges  
10 geographic, financial, cultural, and language barriers for the medically underserved. The State  
11 Health Service Corp shall:

12 (a) Form partnerships with community health centers serving medically underserved areas or  
13 populations, educational institutions, and community and professional organizations;

14 (b) Recruit caring, culturally competent clinicians for community health centers;

15 (c) Provide opportunities and professional experiences to students through a Scholarship and  
16 Loan Repayment Program and a state SEARCH (Student/Resident Experiences and Rotations in  
17 Community Health Centers) program;

18 (d) Work to establish systems of care that remain after an SHSC clinician departs; and

19 (e) Shape the way clinicians practice by building a community of dedicated health professionals  
20 who continue to work with the underserved even after their SHSC commitment has been  
21 fulfilled.

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

27 Section 16Q. There is hereby established within the Executive Office of Health and  
28 Human Services an Office of State Health Policy which shall be responsible for health access

29 and primary care development, planning, coordination and federal designations. Such office  
30 shall serve as the primary care office for the Commonwealth and shall consult with the  
31 Massachusetts League of Community Health Centers on responsibilities in connection with such  
32 office. Such office shall enhance coordination on public health issues among state agencies,  
33 municipal public health entities, and community health centers.

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

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

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

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

51 including receivables due and collectibles during the months of July and August, from the trust  
52 fund for the purpose of making authorized expenditures. The health safety net office shall  
53 administer the trust fund and disburse funds from the trust fund for the purpose of payments to  
54 community health centers under clause (12) of paragraph (b) of section 56 of chapter 118E and  
55 any further regulations promulgated by the office.

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

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

71 (1) creation, expansion or upgrade of electronic health records, computerized physician order  
72 entry or other information technology;

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

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

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

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

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

83 SECTION 4. Section 2 of chapter 32A, as most recently amended by section 9 of chapter  
84 324 of the Acts of 2006, is hereby further amended by inserting, after the words “connector  
85 authority” the following words: a Massachusetts community health center, at the option of such  
86 health center

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

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

91 “Commissioner”, the commissioner of revenue.

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

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

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

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

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

111 “Community Health Center project”, a qualified community health center project, as  
112 defined by the department consistent with the federal definition of a qualified active low-income  
113 community business contained in section 45D of the Internal Revenue Code, as amended and in

114 effect for the taxable year, which is located in the commonwealth, which meets the requirements  
115 of this section, and whose community health center enters into a regulatory agreement with the  
116 department.

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

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



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

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

147 Allowance of the credit, including the amount of the credit, applicable percentage, and credit  
148 allowance date, shall be determined consistent with the provisions of paragraph (a) of section  
149 45D of the Internal Revenue Code

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

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

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

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

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

173 (4) All or any portion of tax credits issued in accordance with the provisions of this section may  
174 be allocated to parties who are eligible under the provisions of paragraph (1) of subsection (c).  
175 The Community Development Entity that provides federal new markets tax credits to benefit a  
176 qualified Massachusetts community health center project shall certify to the commissioner the  
177 amount of credit allocated to such taxpayer. The Community Development Entity shall provide

178 to the commissioner appropriate information so that the community health center new markets  
179 tax credit can be properly allocated.

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

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

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

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

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

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

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

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

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

218 (g) The department, in consultation with the commissioner, shall monitor and oversee  
219 compliance with the Massachusetts community health center new markets tax credit program and  
220 may promulgate regulations requiring the filing of additional documentation deemed necessary

221 to determine continuing eligibility for the tax credit. The department or the commissioner shall  
222 report specific occurrences of noncompliance to appropriate state, federal and local authorities.

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

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

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

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

240 “Commissioner”, the commissioner of revenue.

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

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

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

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

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

260 “Community Health Center project”, a qualified community health center project, as  
261 defined by the department consistent with the federal definition of a qualified active low-income  
262 community business contained in section 45D of the Internal Revenue Code, as amended and in

263 effect for the taxable year, which is located in the commonwealth, which meets the requirements  
264 of this section, and whose community health center enters into a regulatory agreement with the  
265 department.

266 “Qualified Equity Investment”, means any equity investment in a community  
267 development entity if (a) such investment is acquired by the investor at its original issue, directly  
268 or through an underwriters, solely in exchange for cash; (b) substantially all of such cash is used  
269 by the community development entity to make qualified low-income community investments;  
270 and (c) the investment is designated for purposes of this section by the community development  
271 entity as a qualified equity investment. Qualified equity investment also includes the purchase of  
272 a Qualified Equity Investment from a prior holder, to the extent provided in IRC section  
273 45D(b)(4). Qualified equity investment does not include an equity investment issued by a  
274 community development entity more than five years after the date the community development  
275 entity receives a new markets tax credit allocation. Any allocation not used within such five year  
276 period may be reallocated by the department. For purposes of this section, “equity investment”  
277 means (a) any stock, other than nonqualified preferred stock as defined in IRC section 351(g)(2))  
278 in a corporation and (b) any capital interest in a partnership. An LLC shall be deemed to be  
279 either a corporation or a partnership according to the LLC’s treatment under federal tax law.

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

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

286 (b)(1) There is hereby established a Massachusetts community health center new markets tax  
287 credit. The department may authorize annually, for the 10 year period beginning January 1, 2007,  
288 and ending December 31, 2017, under this section together with section 6K of chapter 62, the  
289 total sum of 50 per cent of the federal new markets tax credits provided to any taxpayer in  
290 exchange for making a qualified equity investment that benefits an eligible Massachusetts  
291 community health center pursuant to section 45D of the Internal Revenue Code, as amended and  
292 in effect for the taxable year; (2) unused community health center new markets tax credits, if  
293 any, for the preceding calendar years; and (3) any Massachusetts community health center new  
294 markets tax credits returned to the department by a qualified Massachusetts Community Health  
295 Center project.

296 Allowance of the credit, including the amount of the credit, applicable percentage, and credit  
297 allowance date, shall be determined consistent with the provisions of paragraph (a) of section  
298 45D of the Internal Revenue Code

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



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

308 (c)(1) A taxpayer may be allowed a state tax credit with respect to a qualified Massachusetts  
309 community health center project that also benefits from a federal new markets tax credit,  
310 provided that the department issues an eligibility statement for that qualified Massachusetts  
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312 community health center new markets tax credit.

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

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

322 (4) All or any portion of tax credits issued in accordance with the provisions of this section may  
323 be allocated to parties who are eligible under the provisions of paragraph (1) of subsection (c).  
324 The Community Development Entity that provides federal new markets tax credits to benefit a  
325 qualified Massachusetts community health center project shall certify to the commissioner the  
326 amount of credit allocated to such taxpayer. The Community Development Entity shall provide

327 to the commissioner appropriate information so that the community health center new markets  
328 tax credit can be properly allocated.

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

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

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

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

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

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

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

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

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

367 (g) The department, in consultation with the commissioner, shall monitor and oversee  
368 compliance with the Massachusetts community health center new markets tax credit program and  
369 may promulgate regulations requiring the filing of additional documentation deemed necessary

370 to determine continuing eligibility for the tax credit. The department or the commissioner shall  
371 report specific occurrences of noncompliance to appropriate state, federal and local authorities.

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

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

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

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

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

394 "community health center under independent licensure", a clinic which is designated as a  
395 community health center by the department for meeting the following requirements: (a) is  
396 licensed as a freestanding clinic by the department pursuant to section 51 of chapter 111 of the  
397 general laws; (b) meets the qualifications for certification, or provisional certification, by the  
398 division of medical assistance, enters into a provider agreement pursuant to 130 CMR 405.404 or  
399 any successor provision thereto and is eligible to receive payments from the Uncompensated  
400 Care Pool Trust Fund or the Health Safety Net Trust Fund; (c) operates in conformance with the  
401 requirements of 42 U.S.C. section 254b; (d) files cost reports if so requested by the division of  
402 health care finance and policy; and (e) provides at a minimum the following basic services: (i)  
403 primary care services including adult/internal medicine, pediatrics (directly or through formal  
404 contractual arrangements) and obstetrics (directly or through formal contractual arrangements);  
405 (ii) ancillary services including social services, case management and nutritional counseling; and  
406 (iii) community outreach and public health programming through contracts, grants or other  
407 funding to populations at risk. Notwithstanding the above, organizations which do not meet the  
408 requirements of sections (a) or (c) above, but have been designated "community health centers"  
409 by both the division of medical assistance and the division of health care finance and policy prior  
410 to January 1, 2006 shall continue to be designated as community health centers under  
411 independent licensure, provided that they continue to meet the requirements of sections (b), (d)  
412 and (e) above.

413 "community health center under hospital licensure", a clinic which provides  
414 comprehensive ambulatory services and which is designated as a community health center by the  
415 department for meeting the following requirements: (a) is licensed as an outpatient clinic by the  
416 Massachusetts department of public health pursuant to section 51 of chapter 111 of the general  
417 laws; (b) meets the qualifications for certification (or provisional certification) by the division of  
418 medical assistance, enters into a provider agreement pursuant to 130 CMR 410.404 or any  
419 successor provision thereto and is eligible to receive payments from the Uncompensated Care  
420 Pool Trust Fund or the Health Safety Net Trust Fund; (c) is licensed under the license of a parent  
421 hospital, which hospital has a formal written relationship with a not-for-profit corporation which  
422 operates the health center, the board of which is comprised of a majority of consumers or which  
423 meets the requirements of the subsections (i) and (ii) of section 330(j)(3)(H) of the Public Health  
424 Service Act (42 USC section 254(b)(j)(3)(H)) or any successor provision thereto); and (d)  
425 provides at a minimum the following basic services: (i) primary care services including  
426 adult/internal medicine, pediatrics (directly or through formal contractual arrangements) and  
427 obstetrics (directly or through formal contractual arrangements); (ii) ancillary services including  
428 social services, case management and nutritional counseling; and (iii) community outreach and  
429 public health programming through contracts, grants or other funding to populations at risk.  
430 Notwithstanding the above, clinics which do not meet the requirements of section (c) above, but  
431 which were designated as "community health centers" by both the division of medical assistance  
432 and the department of public health prior to January 1, 2006, shall continue to be designated as  
433 community health centers under hospital licensure, provided they continue to satisfy the  
434 requirements of sections (a), (b) and (d) above.

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

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

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

445 (12) to administer the Essential Community Health Center Trust Fund, established by section  
446 2SSS of chapter 29, and to make expenditures from that fund without further appropriation for  
447 the purpose of improving and enhancing the ability of all community health centers, including  
448 free-standing and hospital-licensed community health centers, to serve populations in need more  
449 efficiently and effectively, including, but not limited to improving the ability of community  
450 health centers to provide community-based primary and preventive care, clinical support, care  
451 coordination services, disease management services, pharmacy management services, and to  
452 eliminate health disparities through a grant program. The office shall consider and respond to  
453 the applications of each community health center in awarding the grants, and shall annually  
454 equitably apportion grant awards among all applying community health centers. At least thirty  
455 days prior to awarding grants to community health centers, the office shall provide a copy of the

456 proposed awards to the chairs of the Joint Committee on Health Care Financing, and the chairs  
457 of the House and Senate Committees on Ways and Means.

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

459 the financial performance of the community health center, including current fiscal  
460 year losses;

461 the numbers of patients served who are chronically ill, are pregnant, elderly, or  
462 disabled;

463 the payer mix of the community health center;

464 operating costs, and the percentage of total annual operating revenue that funding  
465 received in fiscal years 2005, 2006, and 2007 from the Distressed Provider Expendable Trust  
466 Fund or the Essential Community Provider Trust fund comprised for the community health  
467 center;

468 the cultural and linguistic challenges presented by the populations served;

469 the availability of early periodic screening, diagnosis and treatment (EPSDT)  
470 services, 340B pharmacy, urgent care, or emergency department diversion services;

471 the need for urgent replacement or upgrades in equipment, furniture or physical  
472 space; and

473 other criteria as may be established by the office, in consultation with the  
474 Massachusetts League of Community Health Centers.



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

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

481           SECTION 13. Said paragraph 5 of said subsection (a) of said Section 60 of said chapter  
482 118E, as so appearing, is hereby amended by adding the following sentence. The office shall  
483 pay for: an individual’s initial visit to a health center if such visit is not covered by other public  
484 or private third-party payer; medically necessary services that are not covered by Commonwealth  
485 Care, including medically necessary dental services; and one hundred per cent of the cost of all  
486 medical, outreach, behavioral health, dental, radiology, pharmacy, laboratory and other services  
487 provided to patients.

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

490           Section 61. (a) Community health centers reimbursed under this chapter shall receive: 1)  
491 at least 100% of the Medicare federally qualified health center rate for all services provided to  
492 patients, including medical, dental, behavioral health, laboratory, radiology, pharmacy and other  
493 services; 2) annual reimbursement increases consistent with the annual reimbursement increases  
494 provided by Medicare; 3) wrap-around reimbursement for case management of patients in need  
495 of chronic disease management, including but not limited to prenatal care, cardiovascular care,  
496 asthma care or other case management; 4) reimbursement for each service provided to a patient,

497 including multiple services provided to a patient in a single day; 5) adequate reimbursement for  
498 needed social service care provided to patients; 6) reimbursement for smoking cessation services;  
499 and 7) reimbursement for all costs associated with diabetes care, including care management  
500 costs, in addition to reimbursements required under section 10C for the diagnosis and treatment  
501 of diabetes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

550 SECTION 24. The secretary of the executive office of health and human services, in  
551 consultation with the commissioner of public health, the secretary of labor and workforce  
552 development, the special advisor to the Governor for education, and the chairs and ranking  
553 minority members of the legislature's joint committee on public health and joint committee on  
554 labor and workforce development, shall convene a workforce development task force to examine  
555 the primary care clinician shortage, including providers in family practice, general internal  
556 medicine and general pediatrics, and to increase the pipeline for primary care providers and other  
557 health care professionals needed in community health centers and other primary care settings,  
558 including, but not limited to: physicians, nurses, optometrists, psychiatrists and other behavioral  
559 health clinicians, and dentists. The task force shall make recommendations by July 1, 2007

560 aimed at eliminating said shortage and increasing said pipeline. The task force shall include  
561 representatives of community health centers, hospitals, health plans, physician and nursing  
562 organizations; labor, business, civic and consumer representatives; representatives of state and  
563 private colleges and universities, including community colleges and the University of  
564 Massachusetts Medical School; and other organizations and individuals who may be identified  
565 by said secretaries, advisor, commissioner, chairs or ranking minority members. The task force  
566 shall be convened within 30 days of the passage of this section and shall meet at least monthly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

600 SECTION 25. The State Loan Repayment Program administered by the Bureau of  
601 Family and Community Health in the Department of Public Health shall annually increase  
602 amounts payable under said program and shall annually publish the amounts available and  
603 awards issued under said program. For purposes of fulfilling the requirements of such loan  
604 repayment, qualifying community health centers may partner with other community health  
605 centers in employing qualifying clinicians in order to allow said clinicians to fulfill the  
606 requirement of forty hours weekly of employment in a medically underserved area. In fiscal year  
607 2008, amounts available under said program shall be increased to at least two times greater than  
608 amounts available in fiscal year 2007.

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

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

617 SECTION 28. Emergency preparedness efforts undertaken in the Commonwealth and  
618 allocation of resources in connection with such efforts shall recognize the essential role of  
619 community health centers in: 1) ongoing participation and coordination of emergency planning,  
620 training and preparedness efforts; 2) providing outpatient care in the event of a pandemic or  
621 other disaster and preventing severe overcrowding in hospital emergency departments; 3)

622 responding to special populations including non-English speaking, low income and elderly  
623 residents who live in the neighborhoods where community health centers are located; 4)  
624 collaborating with local boards of health and with statewide surge capacity planners; and 5)  
625 serving as potential vaccination site or site for mass dispensing of needed pharmaceuticals.  
626 Allocation of resources shall take into account the needs of community health centers, including  
627 staffing, communications equipment, emergency generators, emergency response kits, including  
628 masks, hard hats, safety goggles, face shields, hearing protection, eye wash, and hand sanitizers;  
629 pharmaceutical and other medical supplies, and guidebooks and essential publications on mass  
630 casualty care strategies, chemical and biological terrorism, hazardous materials incidents, crisis  
631 communication, school safety, facility security and other issues.

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

634 (1) eliminate health disparities;

635 (2) improve MassHealth and Commonwealth Care customer service for patients and providers,  
636 including: (a) achieving efficiencies in claims and billing efforts by establishing a uniform  
637 billing system for all programs administered under chapter 118E; (b) improving the process of  
638 coordination of benefits at MassHealth; and (c) improving telephone waiting times and  
639 establishing evening hours for the MassHealth Enrollment Center.

640 (2) monitor the impact of provisions in the federal Deficit Reduction Act on providers and  
641 patients;



642 (3) utilize the MassHealth prescription drug formulary and reimbursement schedule for  
643 individuals accessing pharmacy services through the Uncompensated Care Pool or the Health  
644 Safety Net Trust Fund.

645 (4) establish a community-based research program, including community-based participatory  
646 research within the Executive Office of Health and Human Services;

647 (5) create community-based trauma and violence prevention strategies;

648 (6) increase school-based health center services;

649 (7) expand the Commonwealth's PACE program; and

650 (8) maximize public health funding for DPH programs located and implemented at community  
651 health center sites, including funding that recognizes the costs of housing such programs.

652 SECTION 30. Within three years from the effective date of this act, community health  
653 centers shall be reimbursed for one hundred per cent of reasonable costs incurred in the care of  
654 patients receiving services under chapter 118E, 118G and 118H of the General Laws. Medicaid  
655 managed care organizations that contract with such health centers shall receive payments from  
656 the Commonwealth sufficient to cover such costs.