

HOUSE No. 1911

The Commonwealth of Massachusetts

PRESENTED BY:

Nick Collins

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

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

An Act 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:	DISTRICT/ADDRESS:
<i>Nick Collins</i>	<i>4th Suffolk</i>
<i>Linda Dorcena Forry</i>	<i>First Suffolk</i>
<i>Stephen Kulik</i>	<i>1st Franklin</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>

HOUSE No. 1911

By Mr. Collins of Boston, a petition (accompanied by bill, House, No. 1911) of Nick Collins and others 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. Public Health.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1916 OF 2013-2014.]

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

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 chapter 224
2 of the Acts of 2012, is hereby amended by adding the following new sections:-

3 Section 16U. 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
13 areas or populations, educational institutions, and community and professional organizations;

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

15 (d) Work to establish systems of care that remain after an State Health Service Corps
16 clinician departs; and

17 (e) Shape the way clinicians practice by building a community of dedicated health
18 professionals who continue to work with the underserved even after their State Health Service
19 Corps commitment has been fulfilled.

20 (f) Provide assistance in the ongoing operation and funding of the primary care workforce
21 development and loan forgiveness grant program at community health centers, created under
22 section 25N3/4 of the general laws. Distribute scholarship and loan repayment for at least ten
23 new primary care clinicians annually for a period of three years per clinician and shall fund
24 minimum loan forgiveness or repayment of \$25,000 per clinician per year, in exchange for the
25 clinician's commitment to practice full time in one or more community health centers for three
26 consecutive years.

27 (g) Provide the research on the supports and systems that should exist for all allied health
28 professionals to maximize the patient-centered medical home model of care.

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

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

36 SECTION 2. Section 28A of chapter 7 of the General Laws, as appearing in the 2004
37 Official 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 SECTION 3. Chapter 29 of the General Laws, as most recently amended by chapter 224
45 of the Acts of 2012, is hereby amended by adding the following sections:

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

53 shall certify payments, including payments during the accounts payable period, in anticipation of
54 revenues, including receivables due and collectibles during the months of July and August, from
55 the trust fund for the purpose of making authorized expenditures. The health safety net office
56 shall administer the trust fund and disburse funds from the trust fund for the purpose of payments
57 to community health centers under subsection (b) of section 65 of chapter 118E and any further
58 regulations promulgated by the office.

59 Section 2TTT. There is hereby established and set up on the books of the commonwealth
60 a separate fund to be known as the Commonwealth Community Health Center Innovation and
61 Improvement Fund, in this section called the trust fund. There shall be credited to the trust fund:

62 (a) any funds that may be appropriated or transferred for deposit into the trust fund; and
63 (b) any income derived from investment of amounts credited to the trust fund. In conjunction
64 with the preparation of the commonwealth's annual financial report, the comptroller shall
65 prepare and issue an annual report detailing the revenues and expenditures of the trust fund. The
66 comptroller shall certify payments, including payments during the accounts payable period, in
67 anticipation of revenues, including receivables due and collectibles during the months of July
68 and August, from the trust fund for the purpose of making authorized expenditures.

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

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

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

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

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

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

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

87 SECTION 4. Section 2 of chapter 32A, as most recently amended by section 9 of chapter
88 324 of the Acts of 2006, is hereby further amended by inserting, after the words “connector
89 authority” the following words: a Massachusetts community health center, at the option of such
90 health center

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

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

95 “Commissioner”, the commissioner of revenue.

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

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

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

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

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

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

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

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

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

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

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

155 (2) Unless otherwise provided in this section or the context clearly requires otherwise, the
156 department shall authorize, administer, determine eligibility for the Massachusetts community
157 health center new markets tax credit and allocate the credit consistent with the standards and

158 requirements as set forth in section 45D of the Internal Revenue Code; provided, however, that
159 the combined federal and Massachusetts community health center new markets tax credit shall
160 be the least amount necessary to ensure financial feasibility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

242 SECTION 6. Chapter 63 of the General Laws, as appearing in the 2010 official edition, is
243 hereby amended by adding, after section 31N, the following section: --

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

246 “Commissioner”, the commissioner of revenue.

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

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

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

257 “Eligibility statement”, a statement authorized and issued by the department certifying
258 that a given project is a qualified Massachusetts community health center project. The
259 department shall, in consultation with the commissioner, promulgate regulations establishing
260 criteria upon which the eligibility statements will be issued. The eligibility statement shall
261 specify the maximum annual amount of the Massachusetts community health center new markets
262 tax credit authorized. The department shall only authorize the tax credits to qualified
263 Massachusetts projects which are placed in service on or after January 1, 2015.

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

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

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

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

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

292 (b)(1) There is hereby established a Massachusetts community health center new markets
293 tax credit. The department may authorize annually, for the 10 year period beginning January 1,
294 2015, and ending December 31, 2025, under this section together with section 6K of chapter 62,
295 the total sum of 50 per cent of the federal new markets tax credits provided to any taxpayer in
296 exchange for making a qualified equity investment that benefits an eligible Massachusetts
297 community health center pursuant to section 45D of the Internal Revenue Code, as amended and
298 in effect for the taxable year; (2) unused community health center new markets tax credits, if
299 any, for the preceding calendar years; and (3) any Massachusetts community health center new
300 markets tax credits returned to the department by a qualified Massachusetts Community Health
301 Center project.

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

305 (2) Unless otherwise provided in this section or the context clearly requires otherwise, the
306 department shall authorize, administer, determine eligibility for the Massachusetts community
307 health center new markets tax credit and allocate the credit consistent with the standards and

308 requirements as set forth in section 45D of the Internal Revenue Code; provided, however, that
309 the combined federal and Massachusetts community health center new markets tax credit shall
310 be the least amount necessary to ensure financial feasibility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

392 SECTION 7. Section 51 of chapter 111 of the General Laws is hereby amended by
393 inserting in line 5 after the word "clinic" the following words: -- which term shall include under

394 this section a clinic which has been designated by the department as a community health center
395 pursuant to section 57E of this chapter,

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

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

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

416 by both the division of medical assistance and the division of health care finance and policy prior
417 to January 1, 2015 shall continue to be designated as community health centers under
418 independent licensure, provided that they continue to meet the requirements of sections (b), (d)
419 and (e) above.

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

439 and the department of public health prior to January 1, 2015, shall continue to be designated as
440 community health centers under hospital licensure, provided they continue to satisfy the
441 requirements of sections (a), (b) and (d) above.

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

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

449 SECTION 11. Subsection (b) of section 65 of chapter 118E, as inserted by section 30 of
450 chapter 58 of the Acts of 2006, is hereby amended by adding, at the end thereof, the following
451 new paragraph:

452 (c) To administer the Essential Community Health Center Trust Fund, established by
453 section 2LLL of chapter 29, and to make expenditures from that fund without further
454 appropriation for the purpose of improving and enhancing the ability of all community health
455 centers, including free-standing and hospital-licensed community health centers, to serve
456 populations in need more efficiently and effectively, including, but not limited to improving the
457 ability of community health centers to provide community-based primary and preventive care,
458 clinical support, care coordination services, disease management services, pharmacy
459 management services, and to eliminate health disparities through a grant program. The office
460 shall consider and respond to the applications of each community health center in awarding the

461 grants, and shall annually equitably apportion grant awards among all applying community
462 health centers. At least thirty days prior to awarding grants to community health centers, the
463 office shall provide a copy of the proposed awards to the chairs of the Joint Committee on Health
464 Care Financing, and the chairs of the House and Senate Committees on Ways and Means.

465 The criteria for grant awards shall include, but not be limited to, the following criteria:—
466 the financial performance of the community health center, including current fiscal year
467 losses; the numbers of patients served who are chronically ill, are pregnant, elderly, or disabled;
468 the payer mix of the community health center; operating costs, and the percentage of total annual
469 operating revenue that funding received in fiscal years 2012, 2013, and 2014 from the Distressed
470 Provider Expendable Trust Fund or the Essential Community Provider Trust fund comprised for
471 the community health center; the cultural and linguistic challenges presented by the populations
472 served; the availability of early periodic screening, diagnosis and treatment (EPSDT) services,
473 340B pharmacy, urgent care, or emergency department diversion services; the need for urgent
474 replacement or upgrades in equipment, furniture or physical space; and other criteria as may be
475 established by the office, in consultation with the Massachusetts League of Community Health
476 Centers.

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

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

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

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

492 Section 61. (a) Community health centers reimbursed under this chapter shall receive: 1)
493 no less than 100% of the Medicare federally qualified health center rate for all medical services
494 provided to patients, and 100% of the reasonable costs providing dental, behavioral health,
495 laboratory, radiology, pharmacy and other services; whether such reimbursement is provided
496 directly or through Medicaid managed care vendors; 2) annual reimbursement increases
497 consistent with the annual reimbursement increases provided by Medicare; 3) wrap-around
498 reimbursement for case management of patients in need of chronic disease management,
499 including but not limited to prenatal care, cardiovascular care, asthma care or other case
500 management, including services provided by Certified Community Health Workers; 4)
501 reimbursement for the costs of graduate medical education; 5) adequate reimbursement for
502 needed social service care provided to patients; 6) reimbursement for smoking cessation services;
503 and 7) reimbursement for all costs associated with diabetes care, including care management
504 costs, in addition to reimbursements required under section 10C for the diagnosis and treatment
505 of diabetes.

506 (b) All global payment demonstration projects or initiatives supported by the
507 Commonwealth shall provide any participating community health center with a hold harmless
508 provision to ensure that the health center will receive no less than 125% of the Medicare
509 federally qualified health center rate which it would have received as a non-participant.

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

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

516 SECTION 15. Section 1 of chapter 118G of the General Laws is hereby amended by the
517 striking the definition of "community health center" and inserting in place thereof the following
518 definition:- A community health center described under section 57E of chapter 111 of the general
519 laws.

520 SECTION 16. Section 2 of said chapter 118H of the General Laws, as so appearing, is
521 hereby amended by inserting, after the word "hospitals" the following words: -- and community
522 health centers

523 SECTION 17. Said section 2 of said chapter 118H of the General Laws, as so appearing,
524 is hereby amended by adding, at the end thereof, the following sentence: -- Any assignment of
525 eligible individuals to a carrier under this chapter shall give preference to maintaining the
526 relationship of an eligible individual to a particular provider. An outreach plan developed under
527 this section shall take into account regional needs statewide, and the number of uninsured and

528 underinsured individuals served by a provider and efforts necessary by such provider to
529 maximize enrollment in the program, including assisting eligible individuals in selecting a health
530 plan.

531 SECTION 18. The secretary of the executive office of health and human services, in
532 consultation with the commissioner of public health, the secretary of labor and workforce
533 development, the special advisor to the Governor for education, and the chairs and ranking
534 minority members of the legislature's joint committee on public health and joint committee on
535 labor and workforce development, shall convene a workforce development task force to examine
536 the primary care clinician shortage, including providers in family practice, general internal
537 medicine and general pediatrics, and to increase the pipeline for primary care providers and other
538 health care professionals needed in community health centers and other primary care settings,
539 including, but not limited to: physicians, nurses, optometrists, psychiatrists and other behavioral
540 health clinicians, and dentists. The task force shall make recommendations by July 1, 2016
541 aimed at eliminating said shortage and increasing said pipeline. The task force shall include
542 representatives of community health centers, hospitals, health plans, physician and nursing
543 organizations; labor, business, civic and consumer representatives; representatives of state and
544 private colleges and universities, including community colleges and the University of
545 Massachusetts Medical School; and other organizations and individuals who may be identified
546 by said secretaries, advisor, commissioner, chairs or ranking minority members. The task force
547 shall be convened within 30 days of the passage of this section and shall meet at least monthly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

576 (14) identification of other strategies and opportunities aimed at protecting the supply of
577 primary care clinicians in the Commonwealth and increasing the pipeline for all providers
578 needed in primary care settings. The task force shall complete its recommendations, including
579 any recommendations for legislative or regulatory changes, by July 1, 2016 and shall file its
580 recommendations with the house and senate clerks, the joint committees on public health, health
581 care financing, and labor and workforce development, and the house and senate committees on
582 ways and means.

583 SECTION 19. The State Loan Repayment Program administered by the Bureau of
584 Family and Community Health in the Department of Public Health shall annually increase
585 amounts payable under said program and shall annually publish the amounts available and
586 awards issued under said program. For purposes of fulfilling the requirements of such loan
587 repayment, qualifying community health centers may partner with other community health
588 centers in employing qualifying clinicians in order to allow said clinicians to fulfill the
589 requirement of forty hours weekly of employment in a medically underserved area.

590 SECTION 20. Notwithstanding any general or special law, rule or regulation to the
591 contrary, and in order to achieve efficiencies and minimize the impact on community health
592 center staff and patients, the department of public health shall consolidate and streamline into a
593 single annual audit all audits of Department of Public Health programs that are conducted at
594 community health centers.

595 SECTION 21. Notwithstanding any general or special law, rule or regulation to the
596 contrary, community health centers shall be exempt from all state fees that would otherwise
597 require payment by the community health center to the Commonwealth.

598 SECTION 22. Emergency preparedness efforts undertaken in the Commonwealth and
599 allocation of resources in connection with such efforts shall recognize the essential role of
600 community health centers in: 1) ongoing participation and coordination of emergency planning,
601 training and preparedness efforts; 2) providing outpatient care in the event of a pandemic or
602 other disaster and preventing severe overcrowding in hospital emergency departments; 3)
603 responding to special populations including non-English speaking, low income and elderly
604 residents who live in the neighborhoods where community health centers are located; 4)
605 collaborating with local boards of health and with statewide surge capacity planners; and 5)
606 serving as potential vaccination site or site for mass dispensing of needed pharmaceuticals.

607 Allocation of resources shall take into account the needs of community health centers,
608 including staffing, communications equipment, emergency generators, emergency response kits,
609 including masks, hard hats, safety goggles, face shields, hearing protection, eye wash, and hand
610 sanitizers; pharmaceutical and other medical supplies, and guidebooks and essential publications

611 on mass casualty care strategies, chemical and biological terrorism, hazardous materials
612 incidents, crisis communication, school safety, facility security and other issues.

613 SECTION 23. The Executive Office of Health and Human Services shall consult and
614 collaborate with community health centers and others on continued efforts to:

615 (1) eliminate health disparities;

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

618 (3) utilize the MassHealth prescription drug formulary and reimbursement schedule for
619 individuals accessing pharmacy services through the the Health Safety Net Trust Fund.

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

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

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

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

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

628 SECTION 24. Within three years from the effective date of this act, community health
629 centers shall be reimbursed for one hundred per cent of reasonable costs incurred in the care of
630 patients receiving services under chapter 118E, 118G and 118H of the General Laws. Managed

631 care vendors that contract with such health centers shall receive payments from the
632 Commonwealth sufficient to cover such costs.

633 SECTION 25. Section 2GGGG of chapter 29, as inserted by section 29 of chapter 224 of
634 the Acts of 2012, is hereby amended by adding the words “and distressed community health
635 center” after every reference to “distressed community hospital” and “acute hospitals.”

636 SECTION 26. Notwithstanding any general or special law to the contrary, there shall be
637 established and set up on the books of the commonwealth as a separate fund to be known as the
638 Medicaid and Health Care Reform FMAP Trust Fund. The fund shall consist of any funds that
639 may be appropriated or transferred for deposit into the trust fund, interest earned on such
640 revenues, and other sources. The comptroller shall deposit an amount to the fund determined by
641 secretary of administration and finance that is equivalent to the additional Medicaid and
642 Children’s Health Insurance Program funding provided by the federal government pursuant to
643 the increased federal Medicaid assistance percentage pursuant to the Sections 2001 and 2101 of
644 the Patient Protection and Affordable Care Act of 2010 and as further addressed in Section 1201
645 of the Health Care and Education Reconciliation Act of 2010. The fund shall be used for the
646 following purposes: (1) to support the financing of health insurance coverage for low-income
647 Massachusetts residents, including MassHealth, other state health insurance programs and
648 insurance offered through the commonwealth’s health insurance exchange and (2) to improve
649 Medicaid reimbursement to health care providers. The secretary of administration and finance
650 shall administer the fund. No later than January 31 of each year, the secretary, in consultation
651 with the executive office of health and human services, the commonwealth health insurance
652 connector authority, healthcare providers participating in the Medicaid program, and consumer
653 representatives, shall submit a report to the house and senate ways and means committees and

654 the joint committee on health care financing that includes the current funding available in the
655 fund, the funding estimated to be deposited through the end of the current and subsequent fiscal
656 year, estimated expenditures from the fund, and recommendations for transferring such funds to
657 other state accounts and funds in a manner consistent with the purpose of the fund.