

of law to the contrary, the action of the town of Braintree, taken on May sixth of the current year at a special town meeting, rescinding the vote taken at the annual town meeting which fixed the salary of the tax collector and town clerk and the action taken at said special town meeting which fixed the salary of the tax collector at ninety-seven hundred and fifty dollars and the salary of the town clerk at eighty-seven hundred dollars, both to be retroactive to the beginning of the fourteenth week of the current year, and which raised and appropriated the sum of eleven hundred and twenty-five dollars for the payment of the increases in said salaries, is hereby confirmed and validated.

SECTION 2. This act shall take effect upon its passage.

Approved June 22, 1968.

Chap. 432. AN ACT FURTHER REGULATING NONPROFIT HOSPITAL SERVICE CORPORATIONS AND NONPROFIT MEDICAL SERVICE CORPORATIONS SUBJECT TO THE SUPERVISION OF THE COMMISSIONER OF INSURANCE.

Be it enacted, etc., as follows:

SECTION 1. Section 1 of chapter 176A of the General Laws is hereby amended by striking out the last paragraph.

SECTION 2. Section 5 of said chapter 176A is hereby amended by adding the following six paragraphs: —

Within thirty days of the filing of any proposed contract or rate of payment between a nonprofit hospital service corporation and a hospital, the commissioner shall either (1) approve the contract or rate of payment without holding a public hearing; or (2) disapprove the contract or rate of payment without holding a public hearing, filing in his office a statement setting forth his reasons for his disapproval; or (3) hold a public hearing on all or such portion of said proposed contract or rate of payment as he shall designate in the notice of hearing which he shall file in his office.

If the commissioner disapproves a proposed contract or rate of payment, he shall promptly notify, in writing, such corporation and each interested hospital of his disapproval. The disapproval shall be final unless, within ten days of the filing of his statement of disapproval, such corporation or any interested hospital shall file with the commissioner a written request for a public hearing on the disapproval. The public hearing, at which such corporation and each interested hospital shall be entitled to appear, shall be held within fourteen days of the filing of the request for such hearing with the commissioner, and the decision thereon shall be made within twenty-eight days of the date of the filing of such request, unless the corporation and each interested hospital involved agree, in writing, to an extension of either date.

If the commissioner decides to hold a public hearing without prior acting on the proposed contract or rate of payment, he shall promptly notify, in writing, such corporation and each interested hospital of his decision. The public hearing, at which such corporation and each interested hospital shall be entitled to appear, shall be held within twenty-one days of filing of the notice thereof in his office. The decision thereon shall be made within twenty-one days of the commencement of the hearing, unless such corporation and each interested hospital involved agree, in writing, on an extension of the date.

If the commissioner disapproves of a previously approved contract or rate of payment, he shall file in his office a statement setting forth his reasons for his disapproval, and he shall promptly notify, in writing, such corporation and each interested hospital of such disapproval. Such notice of disapproval shall state the effective date of the disapproval which shall not be sooner than sixty days from the date of the filing of such disapproval in his office. The disapproval shall be final on the date indicated in said notice unless, within ten days of the filing of his statement of disapproval, such corporation or any interested hospital shall file with the commissioner a written request for a public hearing on the disapproval. The public hearing, at which such corporation and each interested hospital shall be entitled to appear, shall be held within fourteen days of the filing of the request for a hearing with the commissioner, and the decision thereon shall be made within twenty-eight days of the date of the filing of such request, unless the corporation and each hospital involved agree, in writing, on an extension of either date.

Any nonprofit hospital service corporation or hospital in the commonwealth aggrieved by any order, finding, decision or other action made or taken under this section by the commissioner may, within twenty days of the filing thereof by the commissioner in his office as a public record, file a petition in the supreme judicial court for the county of Suffolk for a review of such order, finding, decision or other action. In the event that there is an appeal from an order of the commissioner disapproving a rate of payment between a nonprofit hospital service corporation and a hospital, any level of payment which the commissioner did approve shall be used pending the determination of the appeal and any difference in the rate established as a result of the appeal and the interim rate shall be adjusted, as the court may determine.

Upon the filing of a petition for review under this section, an order of notice returnable not later than twenty days from the filing of such petition shall forthwith issue and be served upon the commissioner. Within ten days after service of a copy of the petition for review upon the commissioner or within such further time as the court may allow, the commissioner shall file in the court the original or a certified copy of the records of the proceeding under review. The review shall be governed by paragraphs (2), (3), (4) with the exception of the first sentence thereof, (5), (6), (7) and (8) of section fourteen of chapter thirty A, and review by the supreme judicial court shall be governed by section fifteen of chapter thirty A.

SECTION 3. The fourth paragraph of section 11 of said chapter 176A, as appearing in section 1 of chapter 766 of the acts of 1950, is hereby amended by striking out the first two sentences.

SECTION 4. Section 16 of said chapter 176A is hereby amended by striking out the first paragraph, as appearing in section 1 of chapter 766 of the acts of 1950, and inserting in place thereof the following three paragraphs:—

With the approval of the commissioner of insurance a corporation subject to this chapter, alone or with one or more nonprofit corporations, the real estate of which is exempt from taxation, may invest in real estate to be used for conducting the business of such corporation or corporations. Real estate may be so acquired to be held in whole or in part for future use if there is a reasonable expectation of such need.

Real estate held in whole or in part for such future use may be leased to other occupants. When so leased, the exemption from taxes on real estate granted by this chapter or granted by any provision of the general laws to a co-owner shall not apply to that portion of the real estate leased to another occupant unless such other occupant occupies the leased premises for its purposes and is (a) a charitable organization, as defined in section five of chapter fifty-nine, or (b) a nonprofit corporation organized under the laws of the commonwealth to provide any kind of health service, the real estate of which is exempt from taxation.

No corporation subject to this chapter shall invest in real estate in an amount in excess of ten per cent of the sum of (a) its annual earned premiums (including its annual receipts on behalf of its subscribers under cost reimbursement programs) and (b) its annual disbursements on behalf of governmental agencies for which such corporation has acted as a fiscal intermediary or in a similar capacity, determined in each case for the twelve months covered by the most recent annual statement filed by such corporation with the commissioner of insurance. If real estate is purchased under this section subject to a mortgage, the amount secured by the mortgage at the time of the purchase shall be considered part of the purchase price.

SECTION 5. Said chapter 176A is hereby amended by striking out section 26, as so appearing, and inserting in place thereof the following section: —

Section 26. No corporation subject to this chapter shall pay any salary, compensation or emolument to any officer, trustee or director thereof, nor any salary, compensation or emolument amounting in any year to more than twenty thousand dollars to any person, unless such payment be first authorized by a vote of its board of directors. No corporation subject to this chapter shall make any agreement with any of its officers, trustees or employees whereby it agrees that for any services rendered or to be rendered he shall receive any salary compensation or emolument for a period of more than three years from the date of such agreement; provided, however, that the payment of an amount not in excess of twelve and one half per cent of such annual salary, compensation or emolument, or a larger percentage if approved by the commissioner, may be deferred beyond such period.

SECTION 6. Chapter 176B of the General Laws is hereby amended by striking out section 10 and inserting in place thereof the following section: —

Section 10. No investment, sale or loan shall be made by a medical service corporation which has not first been authorized by the board of directors, or by a committee thereof charged with the duty of investing or loaning the funds of the corporation; nor shall any deposit be made in a bank or banking institution unless such bank or banking institution has first been approved as a bank of deposit by the board of directors or said committee thereof, and unless the vote authorizing such investment, sale or loan or approval of the place of deposit has been duly recorded in the books of the corporation.

With the approval of the commissioner, a medical service corporation, alone or with one or more nonprofit corporations, the real estate of which is exempt from taxation, may invest in real estate to be used for conducting the business of such corporation or corporations. Real

estate may be so acquired to be held in whole or in part for future use if there is a reasonable expectation of such need.

Real estate held in whole or in part for such future use may be leased to other occupants. When so leased, the exemption from taxes on real estate granted by this chapter or granted by any provision of the general laws to a co-owner shall not apply to that portion of the real estate leased to another occupant unless such other occupant occupies the leased premises for its purposes and is (a) a charitable organization, as defined in section five of chapter fifty-nine, or (b) a nonprofit corporation organized under the laws of the commonwealth to provide any kind of health service, the real estate of which is exempt from taxation.

No medical service corporation shall invest in real estate in an amount in excess of ten per cent of the sum of (a) its annual earned premiums (including its annual receipts on behalf of its subscribers under cost reimbursement programs) and (b) its annual disbursements on behalf of governmental agencies for which such corporation has acted as a fiscal intermediary or in a similar capacity, determined in each case for the twelve months covered by the most recent annual statement filed by such corporation with the commissioner. If real estate is purchased under this section subject to a mortgage, the amount secured by the mortgage at the time of the purchase shall be considered part of the purchase price.

The commissioner may require any such corporation after the first full year of doing business to accumulate and maintain a special contingent surplus, over and above its reserves and liabilities, in such amount as the commissioner may deem proper.

SECTION 7. Said chapter 176B is hereby further amended by striking out section 11, as appearing in chapter 306 of the acts of 1941, and inserting in place thereof the following section: —

Section 11. No medical service corporation shall pay any salary, compensation or emolument to any officer, trustee or director thereof, nor any salary, compensation or emolument amounting in any year to more than twenty thousand dollars to any person, unless such payment be first authorized by a vote of its board of directors. No such corporation shall make any agreement with any of its officers, trustees or employees whereby it agrees that for any services rendered or to be rendered he shall receive any salary, compensation or emolument for a period of more than three years from the date of such agreement; provided, however, that the payment of an amount not in excess of twelve and one half per cent of such annual salary, compensation or emolument, or a larger percentage if approved by the commissioner, may be deferred beyond such period.

SECTION 8. Section 1 of said chapter 176B is hereby amended by striking out the definition "Nonprofit medical service plan", as so appearing, and inserting in place thereof the following definition: —

"Nonprofit medical service plan", a plan operated by a medical service corporation under the provisions of this chapter, whereby the cost of medical service furnished to subscribers and covered dependents is paid by the corporation to subscribers, to participating physicians and to such other physicians as are provided for herein.

SECTION 9. The first paragraph of section 4 of said chapter 176B, as amended by section 2 of chapter 442 of the acts of 1965, is hereby

further amended by striking out the second sentence and inserting in place thereof the following sentence:— The form of agreement with participating physicians, dentists, chiroprodists (podiatrists) and optometrists and the methods of compensating participating physicians, dentists, chiroprodists (podiatrists) and optometrists for their services to subscribers or covered dependents shall at all times be subject to the written approval of the commissioner.

SECTION 10. Section 5 of chapter 176A of the General Laws is hereby amended by inserting after the first paragraph, as most recently amended by chapter 513 of the acts of 1954, the following paragraph:—

Any hospital service corporation may join with any other hospital service corporation organized either under the laws of the commonwealth or of any other state for the purpose of establishing or maintaining an agency or corporation designed to facilitate the provision of hospital services and other health services for residents of the commonwealth employed by firms having employees located in more than one state and may enter into contracts with such an agency or corporation or with a corporation owned by such an agency or corporation for the joint administration of their business and for the joint and cooperative writing and issuing of certificates, provided that any corporation or agency which is not a nonprofit hospital service corporation with which there is joint and cooperative writing and issuing of certificates shall be qualified to do business in the commonwealth.

SECTION 11. The third paragraph of section 3 of chapter 176B of the General Laws, added by chapter 142 of the acts of 1953, is hereby amended by adding after the word "state", in line 7, the words:— and may enter into contracts with such an agency or corporation or with a corporation owned by such an agency or corporation for the joint administration of their business and for the joint and cooperative writing and issuing of certificates, provided that any corporation or agency which is not a nonprofit medical service corporation with which there is joint and cooperative writing and issuing of certificates shall be qualified to do business in the commonwealth.

Approved June 22, 1968.

Chap. 433. AN ACT AUTHORIZING PAYROLL DEDUCTION ON ACCOUNT OF CONTRIBUTIONS BY STATE EMPLOYEES TO THE MASSACHUSETTS INDEPENDENT HEALTH AGENCIES.

Be it enacted, etc., as follows:

Chapter 180 of the General Laws is hereby amended by inserting after section 17E the following section:—

Section 17F. Deductions on payroll schedules may be made from the salary of any state employee of any amount which such employee may specify in writing to the officer, or the head of the department, board or commission, by whom or which he is employed, for the payment of a contribution to the Massachusetts Independent Health Agencies, provided, however, that a state employee shall have the right to select one or more affiliating agencies of said Massachusetts Independent Health Agencies to which he wishes to have his contribution credited. Any such authorization may be withdrawn by the employee by giving sixty