

ACTS, 1981. - Chap. 432.

GREENFIELD SHALL BE DETERMINED BY A
LOTTERY DRAWING.

Be it enacted, etc., as follows:

Section 4 of chapter 440 of the acts of 1921 is hereby amended by adding the following sentence:- The town clerk and the board of registrars shall arrange the names of all candidates for the office of town meeting member of each precinct to be elected for the ensuing year to be placed on the ballot by a lottery drawing.

Approved October 2, 1981.

Chap. 432. AN ACT RELATIVE TO CERTAIN HOSPITAL
CHARGES.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to immediately establish charge controls for hospitals for fiscal year nineteen hundred and eighty-two, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

SECTION 1. As used in this act, the following terms shall have the following meanings:

"Commission", the rate setting commission established under the provisions of section thirty-two of chapter six A of the General Laws.

"Region", the health service areas established pursuant to the United States Code Annotated, Title 42, section 300 on project grants and contracts for family planning services and other health care services.

"Regional hospital councils", the regional associations of hospitals established by the Massachusetts Hospital Association in conformity with the boundaries of the health services areas, as defined in the United States Code Annotated, Title 42, section 300.

SECTION 2. The regulations of the commission promulgated for the fiscal year ending on September thirtieth, nineteen hundred and eighty-one pursuant to chapter four hundred and nine of the acts of nineteen hundred and seventy-six and chapter five hundred and forty of the acts of nineteen hundred and eighty, shall apply during the fiscal year nineteen hundred and

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eighty-two, subject to the provisions of this act and to such adjustments as are consistent with the purpose and provisions of this act.

Regulations may be promulgated by the commission pursuant to this act in accordance with the provisions of paragraph five of section two of chapter thirty A of the General Laws and shall be promulgated without regard to the review provisions of section thirty-four A of chapter six A of the General Laws. Notwithstanding any provision of law inconsistent with the act, no such provision shall affect the operation of this act; all provisions of law consistent with the act shall apply to the operation of this act.

SECTION 3. The limit on increases in gross patient service revenue, hereinafter referred to as GPSR, due to productivity-adjusted inflation for hospitals in fiscal year nineteen hundred and eighty-two shall be as hereinafter provided.

(1) The base amount for establishing a region's limitation on the fiscal year nineteen hundred and eighty-two GPSR increase due to productivity-adjusted inflation shall be the sum of the fiscal year nineteen hundred and eighty-one GPSR for all hospitals in the region, as approved by the commission.

(2) The statewide percentage limit for productivity-adjusted inflation shall be as disseminated by the commission to hospitals in a letter dated July twenty-fourth, nineteen hundred and eighty-one which reflects an inflation allowance derived in a manner consistent with a methodology developed by Harbridge House Inc., reduced by a one and one-half per cent productivity factor. This percentage will be multiplied by the base dollar amount calculated pursuant to paragraph (1) to establish each region's dollar limit on increases in GPSR for fiscal year nineteen hundred and eighty-two due to productivity-adjusted inflation.

(3) Each hospital shall file a fiscal year nineteen hundred and eighty-two budget submission in accordance with applicable regulations and forms.

(4) Each hospital shall identify the requested increase in GPSR in fiscal year nineteen hundred and eighty-two above the amount identified in paragraph (1).

(5) Each hospital shall identify the amount of a nineteen hundred and eighty-two increase which is attributable to non-inflation items in the following manner:

(a) Each hospital shall identify the changes in costs for fiscal year nineteen hundred and eighty-two over fiscal year nineteen hundred and eighty-one which are attributable to new or discontinued services, transfers of cost, changes in costs beyond the control of the hospital including approved determinations of need, changes in capital requirements as defined in applicable

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regulations, and changes in volume as measured by the difference between projected nineteen hundred and eighty-two and approved nineteen hundred and eighty-one volume statistics filed pursuant to applicable regulations.

(b) The total amount of the cost identified in paragraph (a) is multiplied by a percentage calculated pursuant to the following formula:

The amount of financial requirements to be met by charge-pay and public assistance outpatients, including bad debts and free care, divided by the sum of capital and operating requirements pursuant to the applicable regulations.

(c) The resulting dollar amount shall then be divided by the charge-pay and public assistance outpatient mix, net of free care and bad debts.

(6) (a) The sum of the figures computed in clause (c) of paragraph (5) for the hospitals in each region is the amount of increase in GPSR which is attributable to non-inflation factors for fiscal year nineteen hundred and eighty-two for each region. These non-inflation items may be adjusted by the commission and any change, shall result in an identical change in allowable GPSR.

(b) Each region's total identified in clause (a) of paragraph (6) as filed by the hospital, shall be subtracted from its total of the increases in GPSR calculated pursuant to paragraph (4). The balance remaining shall be the region's requested nineteen hundred and eighty-two increase in GPSR due to productivity-adjusted inflation.

(c) If the amount calculated in clause (b) of paragraph (6) is less than the limit calculated in paragraph (2), this difference shall be termed the region's "underage". If the amount calculated in said clause (b) of said paragraph (6) is greater than the limit calculated in paragraph (2), this difference shall be termed the region's "excess".

(7) If a particular region has an underage, hospital requests for GPSR increases due to productivity-adjusted inflation for fiscal year nineteen hundred and eighty-two shall be approved. If a particular region has an underage, it shall decide and notify the commission by certified letter within three days of the effective date of this act whether it wishes to retain its underage for second submissions for its hospitals, or, to transfer all, or part, of its underage to other regions.

(8) If a particular region has an excess, the commission shall take the following steps. The regional hospital councils shall be identified and notified of their excess by the commission; the notice shall be mailed by the commission no later than August fifteenth, nineteen hundred and eighty-one. Hospitals in those

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regions shall cooperate with the regional hospital councils to eliminate the region's excess by reducing their GPSR requests and submitting these reductions to the commission within three days after the effective date of this act. If the hospitals in the regions with excess GPSR increase requests have not within three days of the effective date of this act submitted to the commission revised GPSR increase requests eliminating the region's excess, considering transfers of underages from other regions, the commission shall reduce their GPSR requests in the following manner:

(a) In those regions with excess, hospitals with productivity-adjusted inflation requests in excess of their individual limits, as calculated in paragraphs (1) to (6), inclusive, shall be identified.

(b) The amount by which each individual hospital exceeds its limit shall be divided by the sum of the amounts by which each individual hospital in the affected region has exceeded its limit.

(c) The proportion calculated in clause (b) for each affected hospital will be multiplied by the region's remaining excess to determine the amount by which each affected hospital's GPSR increase request shall be reduced.

(d) The commission shall reduce each requested GPSR increase due to productivity-adjusted inflation and incorporate this reduction in approvals under this section within ten working days from the last day on which notification is due from the regional councils.

(e) If the commission action pursuant to this section takes place after October first, the commission may at its discretion, make such approvals effective retroactive to October first, nineteen hundred and eighty-one.

(9) Hospitals shall submit their fiscal year nineteen hundred and eighty-two budget requests by August first, nineteen hundred and eighty-one. That deadline shall be extended if a hospital is unable to meet the deadline for reasons beyond the hospital's control or as otherwise allowed by the commission. The commission shall attempt to include late-filed requests in its calculations pursuant to this act. If a hospital does not file in accordance with this paragraph by August first, nineteen hundred and eighty-one, the hospital's GPSR increase due to productivity-adjusted inflation shall be limited to the lower of the maximum GPSR increase allowed pursuant to the applicable regulations, as referenced in section two, or the productivity-adjusted inflation limit.

(10) Computation of allowable volume changes shall be on the

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basis of direct cost, sixty per cent fixed cost, forty per cent variable cost, with a zero per cent upside and two per cent downside corridor for fiscal years nineteen hundred and eighty to nineteen hundred and eighty-one, and for fiscal years nineteen hundred and eighty-one to nineteen hundred and eighty-two.

(11) Second submissions for GPSR increases due to productivity-adjusted inflation shall be approved only for hospitals in regions with underages existing after September fifteenth, nineteen hundred and eighty-one, and only in an amount equal to, or less than, the region's remaining underage. The commission regulations shall apply to second submissions. No hospital may submit a second submission for GPSR increases due to productivity-adjusted inflation for fiscal year nineteen hundred and eighty-two unless it has been approved by the appropriate regional hospital council.

(12) This act shall apply only to those hospitals with fiscal years which commence after September first, nineteen hundred and eighty-one, and before November first, nineteen hundred and eighty-one.

(13) The approved fiscal year nineteen hundred and eighty-two GPSR for any individual hospital shall not be greater than the maximum GPSR allowed under applicable regulations except that a hospital in a region with an underage shall be allowed, with the approval of the region, to request an approved fiscal year nineteen hundred and eighty-two GPSR which is greater than the hospital's individual maximum GPSR by an amount not to exceed the difference between the statewide productivity-adjusted inflation limit and the hospital's individual maximum GPSR.

In the computation of maximum GPSR under applicable regulations, actual fiscal year nineteen hundred and eighty operating costs shall be used.

(14) A hospital may apply to the commission at any time for additional GPSR increases, as an exception to the GPSR limitations imposed by this act when such increases are not otherwise provided for pursuant to provisions of this section. Such exceptions may be granted under the following circumstances:

(a) the hospital, as a result of the limitation on GPSR increases imposed by this act, fails to meet the minimum feasibility requirements established by the Massachusetts health and education facilities authority as necessary to obtain tax exempt capital financing for approved determination of need projects.

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(b) the hospital demonstrates that, as a result of the limitation on GPSR increases imposed by this act, projected fiscal year nineteen hundred and eighty-two operating and capital costs, as approved pursuant to applicable regulations exceed net patient service revenues by two per cent or more.

SECTION 4. The commission, established by section five of chapter five hundred and forty of the acts of nineteen hundred and eighty is hereby revived and continued until September thirtieth, nineteen hundred and eighty-two, and shall, from a review and study of prospective, uniform, or other payment systems, develop in draft form a report containing a review and analysis of options for improving existing hospital reimbursement systems. A preliminary draft of this report shall be completed and ready for distribution to the members of the joint commission by November first, nineteen hundred and eighty-one. The final draft of this report, including draft legislation if appropriate shall be ready for distribution by November thirtieth, nineteen hundred and eighty-one. Individual members of the commission may contribute staff and clerical assistance during the development of this report.

Said commission shall, by December thirty-first, nineteen hundred and eighty-one, have evaluated and responded to this report, including draft legislation, if any, as well as any other payment proposals submitted by members of the commission during the months of October, November and December, nineteen hundred and eighty-one.

Said commission shall, by March first, nineteen hundred and eighty-two, propose recommendations for any draft legislation to become effective in fiscal nineteen hundred and eighty-three.

Approved October 6, 1981.

Chap. 433. AN ACT RELATIVE TO THE FUNDING OF SALARIES PAYABLE DURING THE MONTHS OF JULY AND AUGUST TO TEACHERS AND OTHER PROFESSIONAL EMPLOYEES OF THE SCHOOL DEPARTMENT OF THE CITY OF PEABODY.

Be it enacted, etc., as follows:

SECTION 1. Notwithstanding the provisions of any general or special law to the contrary, the city of Peabody is hereby authorized to exclude from its budget for the fiscal year ending June thirtieth, nineteen hundred and eighty-two, two-thirds of the estimated amounts to be earned by the teachers or any other