HOUSE No. 3052

By Mr. LeBlanc of New Bedford, petition of Alan Chapman that the powers of determining rates to be paid to convalescent and nursing homes be transferred from the Board of Rate Setting to the Director of Hospital Costs and Finances. Pensions and Old Age Assistance.

The Commonwealth of Wassachusetts

In the Year One Thousand Nine Hundred and Sixty-Five.

AN ACT TRANSFERRING THE POWERS OF THE BOARD OF RATE SETTING TO DETERMINE THE RATE TO BE PAID TO CONVALESCENT AND NURSING HOMES OR REST HOMES TO THE DIRECTOR OF HOSPITAL COSTS AND FINANCES.

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 7 of the General Laws is hereby amended
- 2 by striking out section 30L, as most recently amended by sec-3 tion 1 of chapter 809 of the acts of 1963, and inserting in place
- 4 thereof the following section:—
- 5 Section 30L. The director of hospital costs and finances shall,
- 6 after hearing, determine at least as often as annually, the per
- 7 diem rate or rates to be paid to convalescent or nursing homes
- 8 and rest homes, as defined in section seventy-one of chapter one
- 9 hundred and eleven, by the various departments, boards or com-
- 10 missions of the commonwealth, or by the various subdivisions of
- 11 the commonwealth receiving reimbursement therefor, in whole
- 12 or in part, from the commonwealth; and may establish fair and
- 13 reasonable classification or classifications of such rate or rates.
- 14 Such rates shall be adequate and reasonable and shall include a
- 15 fair return on invested capital. The determination of the per
- 16 diem rate or rates as provided in this section shall be deemed a
- 17 "regulation" as defined in paragraph (5) of section one of
- 18 chapter thirty A.

Each convalescent or nursing home and rest home shall file 19 20 with the director, from time to time, on request, such data, 21 statistics, schedules or information as he may reasonably require 22 to enable him to determine the rate or rates. The director shall 23 have the power to examine the books and accounts of any such 24 convalescent or nursing home and rest home, if in his opinion 25 such examination is necessary to determine such rates. Any 26 person conducting such convalescent or nursing home and rest 27 home, who fails to furnish any such data, statistics, schedules or 28 information as requested, or who files fraudulent returns thereof, 29 shall be punished by a fine of not less than one hundred dollars 30 nor more than five hundred dollars. Upon potice from the 31 director, no city or town shall thereafter purchase care in a con-32 valescent or nursing home or rest home failing to file such data, 33 statistics or information as requested with the director, until 34 such time as the director advises such city or town that his order 35 prohibiting the purchase of such care has been rescinded.

35 prohibiting the purchase of such care has been rescinded.
36 If a person conducting a convalescent or nursing home or rest
37 home believes that the rate so established is inadequate, un38 reasonable, or does not include a fair return on invested capital
39 in the case of such convalescent or nursing home and rest home
40 in particular, he may, within sixty days after the date such rate
41 was established, file an appeal with the director for a determi42 nation of a rate for such convalescent or nursing home or rest
43 home. If the director does not determine a rate for such con44 valescent or nursing home or rest home the person conducting
45 said home may file a further appeal for the determination of a
46 rate for such home in accordance with the provisions of section
47 fourteen of chapter thirty A.

1 Section 2. Section thirty M of said chapter seven is hereby 2 repealed.

1 Section 3. The powers and duties of the board of rate setting 2 relative to the determination of rates to be paid to certain con-3 valescent or nursing homes and rest homes, as set forth in section 4 thirty L of chapter seven of the General Laws as in effect immediately prior to the effective date of this act, are hereby transferred to the director of hospital costs and finances. All books, 7 papers, records, documents and equipment which are in the 8 custody and control of the board of rate setting and which per-

9 tain to convalescent or nursing and rest homes shall, upon the 10 effective date of this act, be transferred to the custody and con11 trol of said director of hospital costs and finances.

All petitions, hearings and other proceedings pending before, 13 and all prosecutions and other proceedings duly commenced by, 14 the said board of rate setting, as of the effective date of this act, 15 shall be turned over to and completed by said director of hos-16 pital costs and finances.

All orders, rules and regulations duly made by the board of 18 rate setting, relative to nursing or convalescent homes and rest 19 homes, shall remain in full force and effect until superseded, re-20 vised, rescinded or amended by the said director of hospital costs 21 and finances.

1 Section 4. The temporary rate of four dollars and twenty-

2 five cents per diem for rest homes established by the director of 3 hospital costs and finances under the provisions of section one of

4 chapter three hundred and ninety-seven of the acts of nineteen 5 hundred and sixty-three, shall continue until a rate is established

6 under the provisions of section thirty L of chapter seven of the

7 General Laws, as amended by section one of this act.

