
By Mr. McCarthy, a petition (accompanied by bill, Senate, No. 406) of Robert E. McCarthy for legislation to establish a Massachusetts hospital corporation. Health Care.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-eight.

AN ACT ESTABLISHING A MASSACHUSETTS HOSPITAL CORPORATION.

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. Section 69E of Chapter 111 of the General Laws,
 2 as most recently amended by Chapter 1167 of the Acts of
 3 1973, is hereby further amended by striking said section and
 4 inserting in place thereof the following section: —

5 *Section 69E.* There is hereby created a public body politic
 6 and corporate to be known as the "Massachusetts Hospital
 7 Corporation". Said corporation shall be managed, controlled,
 8 administered and governed by a board of directors consisting
 9 of nine members, appointed by or elected as provided in this
 10 section, of whom five shall constitute a quorum. The directors
 11 of said corporation shall be appointed or elected by the board
 12 of trustees of each hospital comprising such corporation in a
 13 number equal and proportionate to such hospitals. Each
 14 director shall serve a term of three; provided, however, that
 15 of the directors initially appointed or elected, one director
 16 representing each hospital shall serve three years, one shall
 17 serve two years and one shall serve one year. The directors
 18 shall elect from among their members a chairman and vice-
 19 chairman, and may employ counsel, an executive director who
 20 shall be ex-officio secretary of the corporation, a treasurer
 21 who may be a member of the corporation and such other
 22 officers, agents and employees as it deems necessary and
 23 proper, and shall determine their qualifications and duties and
 24 compensation.

25 (a) The corporation shall own and operate the Lakeville,
 26 Lemuel Shattuck and Pondville Hospitals, presently operated

27 by the Massachusetts Department of Public Health, and any
28 other public health care institution which the corporation
29 agrees to own and operate. The Commonwealth shall, on or
30 before the first day of July, nineteen hundred seventy-nine
31 enter into an agreement or agreements with the corporation,
32 whereby the Commonwealth shall provide the corporation
33 with an agreed upon sum of money to provide for the orderly
34 takeover of the above-named hospitals. The Commonwealth
35 shall, on or before the first day of July nineteen hundred
36 eighty enter into an agreement or agreements with the
37 corporation whereby the corporation shall be given deed and
38 take over operation of such hospitals.

39 The corporation shall be financed in part for the cost of
40 health and medical services that it provided through fees,
41 rentals, and other charges it receives from patients, third
42 party insurers, and government reimbursement programs.
43 The corporation shall directly collect and receive from all
44 sources of reimbursement and payment revenues for services
45 provided in the facilities operated by it. The Commonwealth
46 shall appropriate and pay to the corporation from the general
47 fund the state portion of Medicaid reimbursement, the full
48 daily charge for wards of the state (Department of Mental
49 Health and Department of Corrections inmates) and any
50 additional agreed upon sum. Thereafter, the Commonwealth
51 shall pay the corporation an amount adjusted annually to take
52 account of increases in the cost of health care as reflected in
53 the average rates of reimbursement set by the Rate Setting
54 Commission for services in the hospitals except that the
55 amount cannot be less than the amount paid in the first year.
56 Further, the Commonwealth shall pay the corporation for any
57 additional medical services which the Commonwealth might
58 request the corporation to provide. The corporation shall sub-
59 mit annually a budget to the Commonwealth detailing the
60 anticipated expenditures of tax levy funds appropriated by the
61 Commonwealth for the coming fiscal year.

62 The corporation shall have the right to borrow money and
63 to issue notes and bonds.

64 The corporation shall have the right to finance and make
65 capital improvements at the institutions under their control.

66 The corporation shall have the right to finance and submit
67 a capital outlay budget to the Commonwealth.

68 (b) All personnel presently employed by the Commonwealth
69 shall have all rights and privileges currently in force under
70 existing collective bargaining agreements protected and main-
71 tained. The employment of all individuals in these hospitals
72 shall be transferred to the corporation on July first, nineteen
73 hundred seventy-nine.

74 All employees and officers of the corporation who are mem-
75 bers of the Commonwealth employee's retirement system
76 shall be allowed to continue as members thereof.

77 The corporation shall have the right to establish its own
78 rules, regulations and by-laws to establish a personnel system.
79 They shall not be subject to the rules and regulations of the
80 Commonwealth's personnel or civil service system except as
81 provided for in section (b), paragraph one above.

82 (c) Hospitals of the corporation shall be subject to all State
83 and Federal laws pertaining to health planning and regula-
84 tion.

85 Insofar as the provisions of this act are inconsistent with
86 the provisions of any other law, general, special or local, the
87 provisions of this act shall be controlling.

88 The corporation and its corporate existence shall continue
89 until terminated by law; provided, however, that no such law
90 shall take effect so long as the corporation shall have bonds,
91 notes or other obligations outstanding. Upon termination of
92 the existence of the corporation all of its rights, property,
93 assets and funds shall thereupon vest in and be possessed by
94 the Commonwealth.

95 (d) Upon written application of a registered physician, the
96 corporation may admit patients to the hospitals comprising
97 membership in such corporation subject to such rules and
98 regulations as the corporation may prescribe, provided, that
99 preference shall be given to residents of the Commonwealth.
100 Any such patient may be discharged from said hospitals either
101 upon his own request or upon determination of the corpora-
102 tion, but not otherwise.

1 SECTION 2. The provisions of this act shall take effect six
2 months from the enactment thereof.

