

By Mr. Fitzgerald of Boston, petition of Kevin W. Fitzgerald, Marc R. Pacheco, David P. Magnani and John Patrick Houston that the Massachusetts Housing Finance Agency be authorized to establish a program to finance the construction or rehabilitation of convalescent nursing homes. Housing and Urban Development.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT AUTHORIZING THE MASSACHUSETTS HOUSING FINANCE AGENCY TO ESTABLISH A PROGRAM TO FINANCE THE CONSTRUCTION OR REHABILITATION OF CONVALESCENT NURSING HOMES.

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 1 of Chapter 708 of the Acts of 1966 is
2 hereby amended by striking out paragraph (g), as most recently
3 amended by Section 1 of Chapter 855 of the Acts of 1970, and
4 inserting in place thereof the following paragraph: —

5 (g) "project", a number of dwelling units constructed,
6 rehabilitated or converted to a cooperative or condominium, or
7 a convalescent nursing home constructed or rehabilitated, with
8 the assistance of a mortgage from the MHFA.

1 SECTION 2. Section 2 of said Chapter 708, as most recently
2 amended by Section 7 of Chapter 789 and Section 4 of Chapter
3 264 of the Acts of 1982, is hereby further amended by adding after
4 the fourth paragraph, the following paragraph: —

5 It is further declared that the Commonwealth is faced with a
6 serious shortage of long-term housing in convalescent and nursing
7 homes. This shortage exacerbates the shortage of such housing
8 that low and moderate income persons or families can afford. A
9 large and significant number of Commonwealth residents have
10 and will be subject to hardship in finding decent, safe and sanitary
11 long-term housing in convalescent and nursing homes unless new

12 facilities are constructed and existing facilities, where appropriate,
13 are rehabilitated. Private enterprise, without the assistance
14 contemplated in this act, cannot achieve the construction or
15 rehabilitation of decent, safe and sanitary long-term housing in
16 convalescent and nursing homes at rentals which persons and
17 families of low income and others can afford.

1 SECTION 3. Section 4 of said Chapter 708 is hereby amended
2 in paragraph (a) by adding after the words, "rehabilitation of
3 housing" the words, "including long-term housing in convalescent
4 or nursing homes."

1 SECTION 4. Section 4 of said Chapter 708 is hereby further
2 amended by adding the following paragraph: —

3 (x) Establish a program to finance the construction or
4 rehabilitation of long-term housing in convalescent or nursing
5 homes consistent with the provisions of Chapters 93 and 111 of
6 the General Laws and in connection therewith, to make first
7 mortgage loans.

1 SECTION 5. Section 5 of said Chapter 708, as most recently
2 amended by Chapter 544 of the Acts of 1981, is hereby amended
3 in paragraph (a), by inserting after the first sentence, the following
4 sentence: —

5 The MHFA may also make mortgage loans to sponsors of long-
6 term housing in convalescent or nursing homes, or purchase or
7 participate in the purchase of securities which are secured by such
8 mortgage loans.

1 SECTION 6. Section 7 of said Chapter 708, as most recently
2 amended by Section 4 of Chapter 259 of the Acts of 1985, is hereby
3 further amended by adding the following sentence: —

4 The provisions of this section shall not apply to long-term
5 housing in convalescent or nursing homes.

1 SECTION 7. Chapter 6A is hereby amended by striking out
2 paragraph 32 in its entirety and inserting in place thereof the
3 following paragraph: —

4 The Commission shall also adopt regulations to enable each
5 provider or institution to secure adjustment in said interim rate
6 from time to time to meet current reasonable costs. Said provider
7 or institution shall have the right at any time to petition the
8 Commonwealth for an increase in said interim rate. A petition
9 for an adjustment in an interim rate shall include a certified
10 statement that such a petition is not interposed for delay, a
11 detailed explanation, under oath, of the basis upon which said
12 increase is sought, together with a sworn statement of an
13 independent licensed accountant or independent certified public
14 accountant that he has examined the pertinent data relative to the
15 accounts forming the basis of the petition and that, in his opinion,
16 said accounts are represented by the petitioner. The petitioner
17 shall provide such other information as the Commission shall
18 require. Where such petitions are accompanied and supported by
19 finding and recommendations of the Massachusetts Housing
20 Finance Agency established under Chapter 709 of the Acts of
21 1966, as amended, the Commission shall accord such recommen-
22 dations and findings a presumption of reasonableness, provided
23 that the rate derived is consistent with the principles of
24 reimbursement for provider costs in effect from time to time under
25 Titles XVIII and XIX of the Social Security Act. The
26 Commission, subject to such rules and regulations as it may
27 establish, may waive the required independent audit for non-
28 institutional providers whenever the Commission determines that
29 such audit would create a financial hardship on such provider.
30 The director of the appropriate bureau shall report in writing his
31 recommendations to the Commission and to the petitioner, giving
32 his reasons therefore in detail, and the petitioner shall have ten
33 days to file objections, arguments and comments to the
34 Commission. The Commission shall thereupon make a rate
35 determination which shall become effective when filed with the
36 state secretary. No appeal under Section 36 of this chapter shall
37 be allowed from an interim rate determined under this paragraph.

