# Massachusetts Prepares Legislation to Overhaul Healthcare System Amid Steward Health Care Bankruptcy



Steward Health Care, based in Texas, filed for bankruptcy protection last week and began a reorganization process, including looking for potential buyers for its 30 hospitals, nine of which are in Massachusetts. This development comes amid ongoing instability in the state's healthcare system as it continues to recover from the COVID-19 pandemic.

In response to the situation, the Healey administration had been preparing through contingency planning and meetings with impacted stakeholders. The private sector, which had shown a cooperative response during the pandemic, is now well-positioned to address any potential fallout from Steward's transition.

The Massachusetts Legislature is taking steps to prevent similar issues in the future. The House of Representatives is set to vote on comprehensive legislation aimed at enhancing data collection and financial reporting requirements for hospitals and healthcare providers. This bill will also introduce new enforcement mechanisms for state regulators, increase financial penalties for non-compliance, and implement measures to protect hospitals from real estate investment trust (REIT) arrangements that could undermine their financial stability.

Additionally, the proposed legislation includes safeguards such as requiring hospitals to disclose lease information and advance notifications before repossession of medical equipment. These measures aim to address gaps revealed by the Steward Health Care crisis and provide long-term reforms to improve consumer affordability and stabilize the healthcare system.

The legislation will also adjust the state's healthcare cost growth benchmark, mandate investments by commercial insurers in underfunded hospitals, and establish a Division of Health Insurance to review commercial health insurance rates for affordability.

Ronald J. Mariano, Speaker of the Massachusetts House of Representatives, and John J. Lawn Jr., House Chair of the Legislature's Joint Committee on Health Care Financing, emphasize the importance of these reforms to ensure a high-quality, affordable healthcare system for Massachusetts residents.