

**HOUSE . . . . . No. 3581**

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Message from His Excellency the Governor returning with vetoes and amendments of certain sections contained in the engrossed Bill making appropriations for the fiscal year 2012 (see House, No. 3535). July 11, 2011.

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Eleven**  
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An Act Message from His Excellency the Governor returning with vetoes and amendments of certain sections contained in the engrossed Bill making appropriations for the fiscal year 2012 (see House, No. 3535). July 11, 2011..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 HOUSE . . . . . No. 3581

2 Message from His Excellency the Governor returning with vetoes and amendments of  
3 certain sections contained in the engrossed Bill making appropriations for the fiscal year 2012  
4 (see House, No. 3535). July 11, 2011.

5 The Commonwealth of Massachusetts

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8 DEVAL L. PATRICK

9 GOVERNOR

10           TIMOTHY P. MURRAY  
11           LIEUTENANT GOVERNOR           EXECUTIVE DEPARTMENT  
12           STATE HOUSE • BOSTON 02133  
13           (617) 725-4000

14           July 11, 2011.

15           To the Honorable Senate and House of Representatives:

16                   Pursuant to Section 5 of Article 63 of the Amendments to the Constitution, I am  
17 today signing House Bill 3535, “An Act Making Appropriations for the Fiscal Year 2012 for the  
18 Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the  
19 Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain  
20 Permanent Improvements,” and returning certain portions to you for reconsideration.

21  
22                   For nearly three years, we have worked together to manage through  
23 unprecedented fiscal challenges brought on by the global economic recession. Together, we  
24 have closed a cumulative budget gap of nearly \$14 billion -- by cutting programs, eliminating  
25 thousands of state jobs, and implementing cost-saving reforms that are changing the way  
26 government does business. While our economy is steadily strengthening, the recovery is not yet  
27 robust enough to offset the loss of \$1.5 billion in federal stimulus funding in the coming year,  
28 which requires us to pursue many of these measures through another painful fiscal year.

29           The \$30.6 billion Fiscal Year 2012 budget I am signing today targets investments in my  
30 four key priorities for this term: closing the education achievement gap, controlling health care  
31 costs, addressing youth violence and creating jobs. This budget is balanced and fiscally  
32 responsible, and it eliminates the structural deficit left by my predecessors.

33           These actions and continued proactive budget management have allowed the  
34 Commonwealth to maintain its stable bond rating. Earlier this year, citing our proactive budget  
35 management as a leading factor, Standard and Poor's awarded Massachusetts a positive outlook,  
36 one of only three states to have such a rating.

37           I am pleased to sign several important reforms in this budget including changes to the  
38 indigent defense system that will save taxpayer dollars; significant steps toward a housing first  
39 system by restricting emergency shelters to families that truly need it, while increasing funding  
40 for housing to prevent homelessness; and reforms that will increase transparency among quasi  
41 public agencies.

42

43           In this budget, we will establish an Office of Commonwealth Performance,  
44 Accountability and Transparency (CPAT) that will promote a more effective and efficient  
45 government; along with many other changes that will strengthen audits and improve  
46 transparency throughout state government.

47           In addition, I look forward to signing provisions for municipal health care reform that  
48 will save millions for cities and towns, while preserving a meaningful role for organized labor,  
49 pending your enactment of a few refinements I am sending back today for your consideration.

50

51           This budget includes several cost-saving initiatives that will help control health  
52 care costs, such as incentives for state employees to move to less-costly health plans and  
53 authorization to re-procure health care services for Commonwealth Care, MassHealth and the  
54 Department of Corrections. Nevertheless, we must continue our urgent work together to enact  
55 and implement systemic reforms to the way we pay for and deliver health care services to make  
56 health care costs affordable over the long term.

57           I am approving a provision to use SAVE verification for MassHealth programs, and will  
58 propose funding the \$2.8 million necessary to run this system. I am also approving the  
59 appropriation for the Probation Department in the expectation that a reform proposal will  
60 advance to my desk promptly.

61

62           I am proud to sign this budget, and I thank you for your partnership to deliver  
63 on fiscally-responsible investments in priority areas like education, and to implement reforms  
64 that will help ensure we are working as efficiently and effectively as possible for the people of  
65 the Commonwealth. The budget I am signing today reflects many of our shared priorities, and  
66 therefore includes a limited number of vetoes. That said, there are some items I am returning for  
67 your consideration.

68

69           Therefore:

70 • I am disapproving those sections of House 3535 itemized in Attachment B of this  
71 message for the reasons set forth in that Attachment; and

72 • Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments  
73 to the Constitution of the Commonwealth, I am returning sections 27, 51, 52, 58, 185, 199, 200,  
74 201, 202 and 203 with recommendations for amendment. My reasons for doing so and the  
75 recommended amendments are set forth in separate letters dated today which are included with  
76 this message as Attachments C, D, E, and F.

77 I approve the remainder of this Act.

78 Sincerely,

79 DEVAL L. PATRICK,

80 Governor

81 [THERE IS NO ATTACHMENT A.]

82 Attachment B

83 FY12 Budget

84 Veto Items: Outside Sections

85 Prescription Drug Waste

86 Section 81

87 I am vetoing this section because the current statute provides for the return and  
88 redispensing of medications, the Department of Public Health has guidelines in place governing

89 those processes, and the Department retains the authority to make further rules and regulations as  
90 necessary.

91 Prescription Drug Waste

92 Section 82

93 I am vetoing this section because it is unnecessary, as patients currently are permitted and  
94 are discharged with their personal bulk medications, and the Department of Public Health retains  
95 the authority to make further rules and regulations as necessary.

96 Senior Care Options/PACE notice

97 Section 87

98 I am vetoing this section because it imposes additional costs on the MassHealth program  
99 without a corresponding appropriation. I am prepared, however, to recommend the necessary  
100 appropriation and then to approve such a requirement.

101 DOI Review of Small Group Health Insurance Rates

102 Section 107

103 I am vetoing this section because it will decrease efficiency and transparency in the  
104 Division of Insurance's rate hearings.

105 DOI Review of Small Group Health Insurance Rates

106 Section 108

107 I am vetoing this section because it inhibits the Commissioner from conducting a  
108 thorough review of the carrier's rate submission, and automatically allowing rates that have not  
109 been thoroughly reviewed could increase premium costs and create confusion in the marketplace.

110 DOI Review of Small Group Health Insurance Rates

111 Section 109

112 I am vetoing this section because it strikes out the statute amended by section 108, which  
113 I have vetoed for the reasons set forth above.

114 Natural Heritage and Endangered Species Program Waiver

115 Section 134

116 I am vetoing this section because it removes the discretion of the Secretary of  
117 Administration and Finance to review and approve waivers. The Secretary is prepared to  
118 exercise his discretion when appropriate.

119 Inspector General MassHealth Audit

120 Section 156

121 I am vetoing this section because it expends scarce program funds from the Health Safety  
122 Net Trust Fund. I do not object to an audit of MassHealth by the Inspector General using other  
123 available funds.

124 Prescription Drug Waste

125 Section 178

126 I am vetoing this section because it requires a study of the implementation of sections 81  
127 and 82, which I believe are unnecessary and have vetoed.

128 Prescription Drug Waste

129 Section 179

130 I am vetoing this section because the department has already completed a similar study  
131 and a new investigation and study would expend scarce department funds and resources and also  
132 require the acquisition of data that is not easily available and would be costly to obtain.

133 Cigar Bars

134 Section 197

135 I am vetoing this section because it prevents local officials from protecting the public  
136 health of their citizens.

137 Competition among MassHealth Managed Care Organizations

138 Section 203A

139 I am vetoing this section because it will unduly interfere with the contracts resulting from  
140 MassHealth's recent competitive procurement for its contracted managed care organizations.

141 Senior Care Options - Effective Date

142 Section 204

143 I am vetoing this section because it provides an effective date for section 87, which I  
144 have vetoed for the reasons set forth above.

145 Delay Implementation of DPH Head Injury Regs

146 Section 207

147 I am vetoing this section because it requires an unnecessary delay in the effective date of  
148 an act protecting the health of school athletes that schools have had ample time to implement.

149 Prescription Drug Waste

150 Section 216

151 I am vetoing this section because it provides an effective date for section 81, which I  
152 have vetoed for the reasons set forth above.

153 DOI Review of Small Group Health Insurance Rates - Effective Date

154 Section 218

155 I am vetoing this section because it provides an effective date for section 109, which I  
156 have vetoed for the reasons set forth above.

157 ATTACHMENT C

158 July 11, 2011

159 To the Honorable Senate and House of Representatives:

160 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the  
161 Constitution, I am returning to you for amendment Section 27 of House Bill No. 3535, "An Act  
162 Making Appropriations for the Fiscal Year 2012 for the Maintenance of the Departments,

163 Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest,  
164 Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

165 As you know, I support the purposes of this section. Section 27 requires recipients of  
166 cash assistance to reimburse the Department of Transitional Assistance (DTA) for purchases of  
167 alcoholic beverages, lottery tickets or tobacco products made using direct cash assistance. This  
168 section also subjects individuals or store owners who knowingly accept an electronic benefit  
169 transfer (EBT) card for the purchase of alcoholic beverages, lottery tickets or tobacco products to  
170 fines (up to \$500 for the first offense, between \$500 and \$1,000 for the second offense, and not  
171 less than \$1,000 for the third or subsequent offense). Finally, this section imposes up to a 5-year  
172 sentence and/or \$25,000 fine for fraudulently obtaining welfare funds in excess of \$100 and a 1-  
173 year sentence and/or \$1,000 fine for fraudulently obtaining under \$100 worth of welfare funds.

174

175 This section, however, incorrectly refers to imprisonment in a jail or house of correction  
176 for not more than 5 years, rendering this provision unenforceable as sentences to the house of  
177 correction cannot exceed 2 ½ years. This is the same minor but essential amendment I have  
178 urged upon the Legislature previously.

179 For this reason, I recommend that Section 27 be amended by striking the words  
180 “imprisonment in a jail or house of correction for not more than 5 years” and inserting in place  
181 thereof, “imprisonment in a jail or house of correction for not more than 2 ½ years, or  
182 imprisonment in the state prison for not more than 5 years”, so as to read as follows:

183 SECTION 27. Chapter 18 of the General Laws is hereby amended by inserting after  
184 section 5H the following 3 sections:-

185           Section 5I. Notwithstanding any general or special law to the contrary, eligible recipients  
186 of direct cash assistance shall not use direct cash assistance funds for the purchase of alcoholic  
187 beverages, lottery tickets or tobacco products. An eligible recipient of direct cash assistance who  
188 makes a purchase in violation of this section shall reimburse the department for such purchase.

189           Section 5J. Notwithstanding any general or special law to the contrary, an individual or  
190 store owner shall not accept direct cash assistance funds held on electronic benefit transfer cards  
191 for the purchase of alcoholic beverages, lottery tickets, or tobacco products. An individual or  
192 store owner who knowingly accepts electronic benefit transfer cards in violation of this section  
193 shall be punished by a fine of not more than \$500 for the first offense, a fine of not less than  
194 \$500 nor more than \$1,000 for the second offense, and a fine of not less than \$1,000 for the third  
195 or subsequent offense.

196           Section 5K. Notwithstanding any general or special law to the contrary, whoever  
197 embezzles, steals or obtains by fraud any funds, assets or property provided by the department of  
198 transitional assistance and whoever receives, conceals or retains such funds, assets or property  
199 for his own interest knowing such funds, assets or property have been embezzled, stolen or  
200 obtained by fraud shall, if such funds, assets or property are of a value of \$100 or more, be  
201 punished by a fine of not more than \$25,000 or by imprisonment in a jail or house of correction  
202 for not more than 2 ½ years, or imprisonment in the state prison for not more than 5 years, or  
203 both such fine and imprisonment, or if such funds, assets or property are of a value of less than  
204 \$100, by a fine of not more than \$1,000 or by imprisonment in a jail or house of correction for  
205 not more than 1 year, or both such fine and imprisonment.

206           Respectfully submitted,

207 ATTACHMENT D

208 July 11, 2011

209 To the Honorable Senate and House of Representatives:

210 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the  
211 Constitution, I am returning to you for amendment Section 185 of House Bill No. 3535, “An Act  
212 Making Appropriations for the Fiscal Year 2012 for the Maintenance of the Departments,  
213 Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest,  
214 Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

215 Section 185 establishes a commission to study the police career incentive pay program. I  
216 support the purposes of this section.

217 However, while this section includes a representative of police management, there is no  
218 representative of labor. I therefore recommend that a representative of the Massachusetts  
219 Coalition of Police be added to this commission.

220 For these reasons, I recommend that Section 185 be amended by striking out the text and  
221 inserting in place thereof the following text:-

222 SECTION 185. There shall be established a commission to investigate and report on  
223 current funding levels and municipal contractual obligations established by section 108L of  
224 chapter 41 of General Laws, known as the police career incentive pay program. The commission  
225 shall be composed of 8 members, 1 appointed by the speaker of the house of representatives, 1  
226 appointed by the senate president, 1 appointed by the minority leader of the house of  
227 representatives, 1 appointed by the minority leader of the senate, the secretary of the executive

228 office public safety and security or her designee, a representative from the Massachusetts Chiefs  
229 of Police Association, a representative from the Massachusetts Coalition of Police, and a  
230 representative from the Massachusetts Municipal Association. The commission shall file a  
231 report with its findings and any legislative recommendations with the house and senate clerks on  
232 or before April 30, 2012.

233           Respectfully submitted,

234           ATTACHMENT E

235           July 11, 2011

236           To the Honorable Senate and House of Representatives:

237           Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the  
238 Constitution, I am returning to you for amendment Section 203 of House Bill No. 3535, “An Act  
239 Making Appropriations for the Fiscal Year 2012 for the Maintenance of the Departments,  
240 Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest,  
241 Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

242           Section 203 temporarily prevents certain changes in the adult day health program. I am  
243 concerned that this provision sweeps too broadly and will hinder necessary savings initiatives. I  
244 propose instead that the Executive Office of Health and Human Services study the need for such  
245 a moratorium.

246           In addition, the Executive Office of Health and Human Services is moving forward to  
247 develop a licensure process for adult day health providers. That Office will take steps  
248 immediately to develop regulations that will include statewide requirements.

249 I therefore recommend that Section 203 be amended by striking out the text and inserting  
250 in place thereof the following text:-

251 SECTION 203. The executive office of health and human services shall conduct a  
252 feasibility study of implementing a moratorium on (1) clinical eligibility or level of  
253 reimbursement paid to providers of adult day health services for basic and complex levels of  
254 care, and (2) the acceptance and approval of applications for (i) enrollment of new adult day  
255 health providers and (ii) expansion of the certified capacity of already approved adult day health  
256 providers as provided in 130 C.M.R. 404.400 et seq. This moratorium shall not apply to a PACE  
257 program as defined in 42 U.S.C. section 1396u-4(a)(2).

258 The executive office shall also assess the current manner of categorizing clients as basic  
259 or complex, and it shall assess the commonwealth's current and future adult day health services  
260 needs and changes to address these needs.

261 The executive office shall report the results of its study and its recommendations to the  
262 house and senate committees on ways and means, the joint committee on elder affairs, and the  
263 joint committee on health care financing, not later than December 31, 2011.

264 Respectfully submitted,

265 ATTACHMENT F

266 July 11, 2011

267 To the Honorable Senate and House of Representatives:

268 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the  
269 Constitution, I am returning to you for amendment Sections 51, 52, 58, 199, 200, 201 and 202 of

270 House Bill No. 3535, “An Act Making Appropriations for the Fiscal Year 2012 for the  
271 Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the  
272 Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain  
273 Permanent Improvements.”

274 These sections create a new process by which municipalities can implement local health  
275 insurance changes in order to help cities and towns manage health care costs and preserve critical  
276 services. I strongly support the goal of providing cities and towns with a way to achieve  
277 meaningful health care cost savings while preserving a meaningful role for organized labor in the  
278 transition process. The municipal health care reform sections included in the budget take a strong  
279 step in the right direction.

280 These sections, however, need additional refinements to strengthen the reform by further  
281 protecting sick and older employees and retirees, while still generating savings so that  
282 municipalities can preserve critical local services. In particular, I am recommending revisions in  
283 the savings to be shared with subscribers, the savings threshold to be met before transferring  
284 subscribers to the Group Insurance Commission, the protection of current retirees from short-  
285 term increases in premiums, and the protection of the quality of local health insurance plans.  
286 The ability to protect the quality of the local health insurance plans will be assured as the reform  
287 is focused on and addresses copays, deductibles and comparable cost sharing changes.

288 For these reasons, I recommend the following amendments:

289 • in section 51, in proposed section 2 of chapter 32B of the General Laws, by  
290 striking out the definition of “savings”, and inserting in place thereof the following definition:-

291 “Savings”, for the purposes of sections 21, 22 and 23, shall mean the difference between  
292 the total projected premium costs for health insurance benefits provided by a political  
293 subdivision with changes made to health insurance benefits under section 22 or 23 for the first 12  
294 months after the implementation of such changes and the total projected premium costs for  
295 health insurance benefits provided by that subdivision without such changes for the same 12  
296 month period.

297 • in section 51, in proposed amended section 12 of said chapter 32B, by striking out  
298 the words “other plan design features” in each instance where they appear, and inserting in place  
299 thereof, in each instance, the following words:- other cost-sharing plan design features.

300 • in section 58, in proposed section 21 of said chapter 32B, by striking out  
301 subsection (d) and inserting in place thereof the following subsection:-

302 (d) The municipal health insurance review panel shall approve the appropriate public  
303 authority’s immediate implementation of the proposed changes under section 22; provided,  
304 however, that any increases to plan design features have been made in accordance with the  
305 provisions of section 22. The municipal health insurance review panel shall approve the  
306 appropriate public authority’s immediate implementation of the proposed changes under section  
307 23; provided, that the panel confirms that the anticipated savings under those changes would be  
308 at least 5 per cent greater than the maximum possible savings under section 22. If the panel does  
309 not approve implementation of changes made pursuant to section 22 or section 23, the public  
310 authority may submit a new proposal to the public employee committee for consideration and  
311 confirmation under this section.

312 □□

313 • in section 58, in subsection (a) of proposed section 22 of said chapter 32B, by  
314 striking out the words “other plan design features” in each instance where they appear, and  
315 inserting in place thereof, in each instance, the following words:- other cost-sharing plan design  
316 features.

317 • in section 58, in the first paragraph of subsection (b) of proposed section 22 of  
318 said chapter 32B, by striking out the words “other plan design features” in each instance where  
319 they appear, and inserting in place thereof, in each instance, the following words:- other cost-  
320 sharing plan design features.

321 • in section 58, in proposed section 22 of said chapter 32B, by striking out  
322 subsection (e) and inserting in place thereof the following subsection:-

323 (e) The first time a public authority implements plan design changes under this section or  
324 section 23, the public authority shall not increase before July 1, 2014, the percentage contributed  
325 by retirees, surviving spouses and their dependents to their health insurance premiums from the  
326 percentage that was approved by the public authority prior to and in effect on July 1, 2011;  
327 provided however, that if a public authority approved of an increase in said percentage  
328 contributed by retirees before July 1, 2011, but to take effect on a date after July 1, 2011, said  
329 percentage increase may take effect upon the approval of the secretary of administration and  
330 finance based on documented evidence satisfactory to the secretary that the public authority  
331 approved the increase prior to July 1, 2011.

332 • in section 199, by striking out the words “other plan design features” in each  
333 instance where they appear, and inserting in place thereof, in each instance, the following  
334 words:- other cost-sharing plan design features.

335 so that the amended sections will read as follows:-

336 SECTION 51. Chapter 32B of the General Laws is hereby amended by striking out  
337 section 2, as so appearing, and inserting in place thereof the following section:-

338 Section 2. As used in this chapter the following words shall, unless the context clearly  
339 requires otherwise, have the following meanings:-

340 “Appropriate public authority”, as to a county, except Worcester county, the county  
341 commissioners; as to a city, the mayor; as to a town, the selectmen; as to a district, the governing  
342 board of the district and for the purposes of this chapter if a collective bargaining agreement is in  
343 place, as to a commonwealth charter school as defined by section 89 of chapter 71, the board of  
344 trustees; and as to an education collaborative, as defined by section 4E of chapter 40, the board  
345 of directors.

346 “Commission”, the group insurance commission established by section 3 of chapter 32A.

347 “Dependent”, an employee’s spouse, an employee’s unmarried children under 19 years of  
348 age and any child 19 years of age or over who is mentally or physically incapable of earning the  
349 child’s own living; provided, however, that any additional premium which may be required shall  
350 be paid for the coverage of such child 19 years of age or over; provided further, that “dependent”  
351 shall also include an unmarried child 19 years of age or over who is a full-time student in an  
352 educational or vocational institution and whose program of education has not been substantially  
353 interrupted by full-time gainful employment, excluding service in the armed forces; provided  
354 further, that any additional premium which may be required for the coverage of such student  
355 shall be paid in full by the employee. The standards for such full-time instruction and the time

356 required to complete such a program of education shall be determined by the appropriate public  
357 authority.

358 “District”, any water, sewer, light, fire, veterans’ services or other improvement district  
359 or public unit created within 1 or more political subdivisions of the commonwealth to provide  
360 public services or conveniences.

361 “Employee”, any person in the service of a governmental unit or whose services are  
362 divided between 2 or more governmental units or between a governmental unit and the  
363 commonwealth, and who receives compensation for any such service, whether such person is  
364 employed, appointed or elected by popular vote, and any employee of a free public library  
365 maintained in a city or town to the support of which that city or town annually contributes not  
366 less than one-half of the cost; provided, however, that the duties of such person require not less  
367 than 20 hours, regularly, in the service of the governmental unit during the regular work week of  
368 permanent or temporary employment; provided further, that no seasonal employee or emergency  
369 employees shall be included, except that persons elected by popular vote may be considered  
370 eligible employees during the entire term for which they are elected regardless of the number of  
371 hours devoted to the service of the governmental unit. A member of a call fire department or  
372 other volunteer emergency service agency serving a municipality shall be considered an  
373 employee, if approved by vote of the municipal legislative body, and the municipality shall  
374 charge such individual 100 per cent of the premium. If an employee’s services are divided  
375 between governmental units, the employee shall, for the purposes of this chapter, be considered  
376 an employee of the governmental unit which pays more than 50 per cent of the employee’s  
377 salary. But, if no one governmental units pays more than 50 per cent of that employee’s salary,  
378 the governmental unit paying the largest share of the salary shall consider the employee as its

379 own for membership purposes, and that governmental unit shall contribute 50 per cent of the cost  
380 of the premium. If the payment of an employee's salary is equally divided between governmental  
381 units, the governmental unit having the largest population shall contribute 50 per cent of the cost  
382 of the premium. If an employee's salary is divided in any manner between a governmental unit  
383 and the commonwealth, the governmental unit shall contribute 50 per cent of the cost of the  
384 premium. An employee eligible for coverage under this chapter shall not be eligible for coverage  
385 as an employee under chapter 32A. Teachers and all other public school employees shall be  
386 deemed to be employees during the months of July and August under this chapter; provided,  
387 however, that employee contributions for such health insurance for those 2 months are deducted  
388 from the compensation paid for services rendered during the previous school year. A  
389 determination by the appropriate public authority that a person is eligible for participation in the  
390 plan of insurance shall be final. Nothing in this paragraph shall apply to Worcester county or its  
391 employees.

392 "Employer", the governmental unit.

393 "Governmental unit", any political subdivision of the commonwealth.

394 "Health care flexible spending account", a federally-recognized tax-exempt health benefit  
395 program that allows an employee to set aside a portion of earnings to pay for qualified expenses  
396 as established in an employer's benefit plan.

397 "Health care organization", an organization for the group practice of medicine, with or  
398 without hospital or other medical institutional affiliations, which furnishes to the patient a  
399 specified or unlimited range of medical, surgical, dental, hospital and other types of health care  
400 services.

401 “Health reimbursement arrangement”, a federally-recognized tax-exempt health benefit  
402 program funded solely by an employer to reimburse subscribers for qualified medical expenses.

403 “Optional Medicare extension”, a program of hospital, surgical, medical, dental and other  
404 health insurance for such active employees and their dependents and such retired employees and  
405 their dependents, except elderly governmental retirees insured under section 11B, as are eligible  
406 or insured under the federal health insurance for the aged act, as may be amended from time to  
407 time.

408 “Political subdivision”, any county, except Worcester county, city, town or district.

409 “Savings”, for the purposes of sections 21, 22 and 23, shall mean the difference between  
410 the total projected premium costs for health insurance benefits provided by a political  
411 subdivision with changes made to health insurance benefits under section 22 or 23 for the first 12  
412 months after the implementation of such changes and the total projected premium costs for  
413 health insurance benefits provided by that subdivision without such changes for the same 12  
414 month period.

415 “Subscribers”, employees, retirees, surviving spouses and dependents of the political  
416 subdivision and may include employees, retirees, surviving spouses and dependents of a district  
417 who previously received health insurance benefits through the political subdivision.

418 SECTION 52. Section 12 of said chapter 32B is hereby amended by inserting, at the end  
419 thereof, the following paragraph:-

420 The board of a trust or joint purchase group established by 2 or more governmental units  
421 may vote to implement changes to co-payments, deductibles, tiered provider network

422 copayments and other cost-sharing plan design features which do not exceed those which an  
423 appropriate public authority may offer under section 22; provided, however, that each  
424 governmental unit that is a member of a trust or group shall comply with the requirements set  
425 forth in section 21 before any such changes may be applied to the health insurance coverage of  
426 such governmental unit's subscribers. If such changes to the dollar amounts for copayments,  
427 deductibles, tiered provider network copayments and other cost-sharing plan design features do  
428 not exceed those permitted under section 22, such changes shall be approved in accordance with  
429 the provisions of section 21.

430 SECTION 58. Said chapter 32B is hereby further amended by adding the following 9  
431 sections:-

432 Section 21. (a) Any political subdivision electing to change health insurance benefits  
433 under sections 22 or 23 shall do so in the following manner: in a county, except Worcester  
434 county, by a vote of the county commissioners; in a city having Plan D or a Plan E charter, by  
435 majority vote of the city council and approval by the manager; in any other city, by majority vote  
436 of the city council and approval by the mayor; in a town, by vote of the board of selectmen; in a  
437 regional school district, by vote of the regional district school committee; and in all other  
438 districts, by vote of the registered voters of the district at a district meeting. This section shall be  
439 binding on any political subdivision that implements changes to health insurance benefits  
440 pursuant to section 22 or 23.

441 (b) Prior to implementing any changes authorized under sections 22 or 23, the appropriate  
442 public authority shall evaluate its health insurance coverage and determine the savings that may  
443 be realized after the first 12 months of implementation of plan design changes or upon transfer of

444 its subscribers to the commission. The appropriate public authority shall then notify its insurance  
445 advisory committee, or such committee's regional or district equivalent, of the estimated savings  
446 and provide any reports or other documentation with respect to the determination of estimated  
447 savings as requested by the insurance advisory committee. After discussion with the insurance  
448 advisory committee as to the estimated savings, the appropriate public authority shall give notice  
449 to each of its collective bargaining units to which the authority provides health insurance benefits  
450 and a retiree representative, hereafter called the public employee committee, of its intention to  
451 enter into negotiations to implement changes to health insurance benefits provided by the  
452 appropriate public authority. The retiree representative shall be designated by the Retired State,  
453 County and Municipal Employees Association. A political subdivision which has previously  
454 established a public employee committee under section 19 may implement changes to its health  
455 insurance benefits pursuant to this section and sections 22 and 23.

456 Notice to the collective bargaining units and retirees shall be provided in the same  
457 manner as prescribed in section 19. The notice shall detail the proposed changes, the appropriate  
458 public authority's analysis and estimate of its anticipated savings from such changes and a  
459 proposal to mitigate, moderate or cap the impact of these changes for subscribers, including  
460 retirees, low-income subscribers and subscribers with high out-of-pocket health care costs, who  
461 would otherwise be disproportionately affected.

462 (c) The appropriate public authority and the public employee committee shall have not  
463 more than 30 days from the point at which the public employee committee receives the notice as  
464 provided in subsection (b) to negotiate all aspects of the proposal. An agreement with the  
465 appropriate public authority shall be approved by a majority vote of the public employee  
466 committee; provided, however, that the retiree representative shall have a 10 per cent vote. If

467 after 30 days the appropriate public authority and public employee committee are unable to enter  
468 into a written agreement to implement changes under section 22 or 23, the matter shall be  
469 submitted to a municipal health insurance review panel. The panel shall be comprised of 3  
470 members, 1 of whom shall be appointed by the public employee committee, 1 of whom shall be  
471 appointed by the public authority and 1 of whom shall be selected through the secretary of  
472 administration and finance who shall forward to the appropriate public authority and the public  
473 employee committee a list of 3 impartial potential members, each of whom shall have  
474 professional experience in dispute mediation and municipal finance or municipal health benefits,  
475 from which the appropriate public authority and the public employee committee may jointly  
476 select the third member; provided, however, that if the appropriate public authority and the  
477 public employee committee cannot agree within 3 business days upon which person to select as  
478 the third member of the panel, the secretary of administration and finance shall select the final  
479 member of the panel. Any fee or compensation provided to a member for service on the panel  
480 shall be shared equally between the public employee committee and the appropriate public  
481 authority.

482 (d) The municipal health insurance review panel shall approve the appropriate public  
483 authority's immediate implementation of the proposed changes under section 22; provided,  
484 however, that any increases to plan design features have been made in accordance with the  
485 provisions of section 22. The municipal health insurance review panel shall approve the  
486 appropriate public authority's immediate implementation of the proposed changes under section  
487 23; provided that the panel confirms that the anticipated savings under those changes would be at  
488 least 5 per cent greater than the maximum possible savings under section 22. If the panel does  
489 not approve implementation of changes made pursuant to section 22 or section 23, the public

490 authority may submit a new proposal to the public employee committee for consideration and  
491 confirmation under this section.

492 (e) Within 10 days of receiving any proposed changes under sections 22 or 23, the  
493 municipal health insurance review panel shall: (i) confirm the appropriate public authority's  
494 estimated monetary savings due to the proposed changes under section 22 or 23 and ensure that  
495 the savings is substantiated by documentation provided by the appropriate public authority;  
496 provided, however, that if the panel determines the savings estimate to be unsubstantiated, the  
497 panel may require the public authority to submit a new estimate or provide additional  
498 information to substantiate the estimate; (ii) review the proposal submitted by the appropriate  
499 public authority to mitigate, moderate or cap the impact of these changes for subscribers,  
500 including retirees, low-income subscribers and subscribers with high out-of-pocket health care  
501 costs, who would otherwise be disproportionately affected; and (iii) concur with the appropriate  
502 public authority that the proposal is sufficient to mitigate, moderate or cap the impact of these  
503 changes for subscribers, including retirees, low-income subscribers and subscribers with high  
504 out-of-pocket health care costs, who would otherwise be disproportionately affected or revise the  
505 proposal pursuant to subsection (f).

506 (f) The municipal health insurance review panel may determine the proposal to be  
507 insufficient and may require additional savings to be shared with subscribers, particularly those  
508 who would be disproportionately affected by changes made pursuant to sections 22 or 23,  
509 including retirees, low-income subscribers and subscribers with high out-of-pocket costs. In  
510 evaluating the distribution of savings to retirees, the panel may consider any discrepancy  
511 between the percentage contributed by retirees, surviving spouses and their dependents to plans  
512 offered by the public authority as compared to other subscribers. In reaching a decision on the

513 proposal under this subsection, the municipal health insurance review panel may consider an  
514 alternative proposal, with supporting documentation, from the public employee committee to  
515 mitigate, moderate or cap the impact of these changes for subscribers. The panel may require the  
516 appropriate public authority to distribute additional savings to subscribers in the form of health  
517 reimbursement arrangements, wellness programs, health care trust funds for emergency medical  
518 care or inpatient hospital care, out-of-pocket caps, Medicare Part B reimbursements or  
519 reimbursements for other qualified medical expenses; provided, however that in no case shall the  
520 municipal health insurance review panel designate more than 25 per cent of the estimated  
521 savings to subscribers. The municipal health insurance review panel shall not require a  
522 municipality to implement a proposal to mitigate, moderate or cap the impact of changes  
523 authorized under section 22 or 23 which has a total multi-year cost that exceeds 25 per cent of  
524 the estimated savings. All obligations on behalf of the appropriate public authority related to the  
525 proposal shall expire after the initial amount of estimated savings designated by the panel to be  
526 distributed to employees and retirees has been expended. The panel shall not impose any change  
527 to contribution ratios.

528 (g) The decision of the municipal health insurance review panel shall be binding upon all  
529 parties.

530 (h) The secretary of administration and finance shall promulgate regulations establishing  
531 administrative procedures for the negotiations with the public employee committee and the  
532 municipal health insurance review panel, and issue guidelines to be utilized by the appropriate  
533 public authority and the municipal health insurance review panel in evaluating which subscribers  
534 are disproportionately affected, subscriber income and subscriber out-of-pocket costs associated  
535 with health insurance benefits.

536 Section 22. (a) Upon meeting the requirements of section 21, an appropriate public  
537 authority of a political subdivision which has undertaken to provide health insurance coverage to  
538 its subscribers by acceptance of any other section of this chapter may include, as part of the  
539 health plans that it offers to its subscribers not enrolled in a Medicare plan under section 18A,  
540 copayments, deductibles, tiered provider network copayments and other cost-sharing plan design  
541 features that are no greater in dollar amount than the copayments, deductibles, tiered provider  
542 network copayments and other cost-sharing plan design features offered by the commission  
543 pursuant to section 4 or 4A of chapter 32A in a non-Medicare plan with the largest subscriber  
544 enrollment; provided, however, that for subscribers enrolled in a Medicare plan pursuant to  
545 section 18A the appropriate public authority may include, as part of the health plans that it offers  
546 to its subscribers, copayments, deductibles, tiered provider network copayments and other cost-  
547 sharing plan design features that are no greater in dollar amount than the copayments,  
548 deductibles, tiered provider network copayments and other cost-sharing plan design features  
549 offered by the commission pursuant to section 4 or 4A of chapter 32A in a Medicare plan with  
550 the largest subscriber enrollment. The appropriate public authority shall not include a plan  
551 design feature which seeks to achieve premium savings by offering a health benefit plan with a  
552 reduced or selective network or providers unless the appropriate public authority also offers a  
553 health benefit plan to all subscribers that does not contain a reduced or selective network of  
554 providers.

555 (b) An appropriate public authority may increase the dollar amounts for copayments,  
556 deductibles, tiered provider network copayments and other cost-sharing plan design features;  
557 provided that, for subscribers enrolled in a non-Medicare plan, such features do not exceed plan  
558 design features offered by the commission pursuant to section 4 or 4A of chapter 32A in a non-

559 Medicare plan with the largest subscriber enrollment and, for subscribers enrolled in a Medicare  
560 plan under section 18A, such features do not exceed plan design features offered by the  
561 commission pursuant to section 4 or 4A of chapter 32A in a Medicare plan with the largest  
562 subscriber enrollment; provided, however, that the public authority need only satisfy the  
563 requirements of subsection (a) of section 21 the first time changes are implemented pursuant to  
564 this section; and provided, further that the public authority meet its obligations under subsections  
565 (b) to (h), inclusive, of section 21 each time an increase to a plan design feature is proposed.

566           Nothing herein shall prohibit an appropriate public authority from including in its health  
567 plans higher copayments, deductibles or tiered provider network copayments or other plan  
568 design features than those authorized by this section; provided, however, such higher  
569 copayments, deductibles, tiered provider network copayments and other plan design features  
570 may be included only after the governmental unit has satisfied any bargaining obligations  
571 pursuant to section 19 or chapter 150E.

572           (c) The decision to accept and implement this section shall not be subject to bargaining  
573 pursuant to chapter 150E or section 19. Nothing in this section shall preclude the implementation  
574 of plan design changes pursuant to this section in communities that have adopted section 19 of  
575 this chapter or by the governing board of a joint purchasing group established pursuant to section  
576 12.

577           (d) Nothing in this section shall relieve an appropriate public authority from providing  
578 health insurance coverage to a subscriber to whom it has an obligation to provide coverage under  
579 any other provision of this chapter.

580 (e) The first time a public authority implements plan design changes under this section or  
581 section 23, the public authority shall not increase before July 1, 2014, the percentage contributed  
582 by retirees, surviving spouses and their dependents to their health insurance premiums from the  
583 percentage that was approved by the public authority prior to and in effect on July 1, 2011;  
584 provided however, that if a public authority approved of an increase in said percentage  
585 contributed by retirees before July 1, 2011, but to take effect on a date after July 1, 2011, said  
586 percentage increase may take effect upon the approval of the secretary of administration and  
587 finance based on documented evidence satisfactory to the secretary that the public authority  
588 approved the increase prior to July 1, 2011.

589 Section 23. (a) Upon meeting the requirements of section 21, an appropriate public  
590 authority which has undertaken to provide health insurance coverage to its subscribers may elect  
591 to provide health insurance coverage to its subscribers by transferring its subscribers to the  
592 commission and shall notify the commission of such transfer. The notice shall be provided to the  
593 commission by the appropriate public authority on or before December 1 of each year and the  
594 transfer of subscribers to the commission shall take effect on the following July 1. On the  
595 effective date of the transfer, the health insurance of all subscribers, including elderly  
596 governmental retirees previously governed by section 10B of chapter 32A and retired municipal  
597 teachers previously governed by section 12 of chapter 32A, shall be provided through the  
598 commission for all purposes and governed under this section. As of the effective date and for the  
599 duration of this transfer, subscribers transferred to the commission's health insurance coverage  
600 shall receive group health insurance benefits determined exclusively by the commission and the  
601 coverage shall not be subject to collective bargaining, except for contribution ratios.

602           Subscribers transferred to the commission who are eligible or become eligible for  
603 Medicare coverage shall transfer to Medicare coverage, as prescribed by the commission. In the  
604 event of transfer to Medicare, the political subdivision shall pay any Medicare part B premium  
605 penalty assessed by the federal government on retirees, spouses and dependents as a result of  
606 enrollment in Medicare part B at the time of transfer into the Medicare health benefits  
607 supplement plan. For each subscriber's premium and the political subdivision's share of that  
608 premium, the subscriber and the political subdivision shall furnish to the commission, in such  
609 form and content as the commission shall prescribe, all information the commission deems  
610 necessary to maintain subscribers' and covered dependents' health insurance coverage. The  
611 appropriate public authority of the political subdivision shall perform such administrative  
612 functions and process such information as the commission deems necessary to maintain those  
613 subscribers' health insurance coverage including, but not limited to, family and personnel status  
614 changes, and shall report all changes to the commission. In the event that a political subdivision  
615 transfers subscribers to the commission under this section, subscribers may be withdrawn from  
616 commission coverage at 3 year intervals from the date of transfer of subscribers to the  
617 commission.

618           The appropriate public authority shall provide notice of any withdrawal by October 1 of  
619 the year prior to the effective date of withdrawal. All withdrawals shall be effective on July 1  
620 following the political subdivision's notice to the commission and the political subdivision shall  
621 abide by all commission requirements for effectuating such withdrawal, including the notice  
622 requirements in this subsection. In the event a political subdivision withdraws from commission  
623 coverage under this section, such withdrawal shall be binding on all subscribers, including those  
624 subscribers who, prior to the transfer to the commission, received coverage from the commission

625 under sections 10B and 12 of chapter 32A and, after withdrawal from the commission, those  
626 subscribers who received coverage from the commission under said sections 10B and 12 of said  
627 chapter 32A shall not pay more than 25 per cent of the cost of their health insurance premiums.  
628 In the event of withdrawal from the commission, the political subdivision and public employee  
629 unions shall return to governance of negotiations of health insurance under chapter 150E and this  
630 chapter; provided, however, that the political subdivision may transfer coverage to the  
631 commission again after complying with the requirements of subsections (b) to (h), inclusive, of  
632 section 21.

633 The commission shall issue rules and regulations consistent with this section related to  
634 the process by which subscribers shall be transferred to the commission.

635 (b) To the extent authorized under chapter 32A, the commission shall provide group  
636 coverage of subscribers' health claims incurred after transfer to the commission. The claim  
637 experience of those subscribers shall be maintained by the commission in a single pool and  
638 combined with the claim experience of all covered state employees and retirees and their covered  
639 dependents, including those subscribers who previously received coverage under sections 10B  
640 and 12 of chapter 32A.

641 (c) A political subdivision that self-insures its group health insurance plan under section  
642 3A and has a deficit in its claims trust fund at the time of transferring its subscribers to the  
643 commission and the deficit is attributable to a failure to accrue claims which had been incurred  
644 but not paid may capitalize the deficit and amortize the amount over 10 fiscal years in 10 equal  
645 amounts or on a schedule providing for a more rapid amortization. Except as provided otherwise  
646 herein, subscribers eligible for health insurance coverage pursuant to this section shall be subject

647 to all of the terms, conditions, schedule of benefits and health insurance carriers as employees  
648 and dependents as defined by section 2 and commission regulations. The commission shall,  
649 exclusively and not subject to collective bargaining under chapter 150E, determine all matters  
650 relating to subscribers' group health insurance rights, responsibilities, costs and payments and  
651 obligations excluding contribution ratios, including, but not limited to, the manner and method of  
652 payment, schedule of benefits, eligibility requirements and choice of health insurance carriers.  
653 The commission may issue rules and regulations consistent with this section and shall provide  
654 public notice, and notice at the request of the interested parties, of any proposed rules and  
655 regulations and provide an opportunity to review and an opportunity to comment on those  
656 proposed rules and regulations in writing and at a public hearing; provided, however, that the  
657 commission shall not be subject to chapter 30A.

658 (d) The commission shall negotiate and purchase health insurance coverage for  
659 subscribers transferred under this section and shall promulgate regulations, policies and  
660 procedures for coverage of the transferred subscribers. The schedule of benefits available to  
661 transferred subscribers shall be determined by the commission pursuant to chapter 32A. The  
662 commission shall offer those subscribers the same choice as to health insurance carriers and  
663 benefits as those provided to state employees and retirees. The political subdivision's  
664 contribution to the cost of health insurance coverage for transferred subscribers shall be as  
665 determined under this section, and shall not be subject to the provisions on contributions in said  
666 chapter 32A. Any change to the premium contribution ratios shall become effective on July 1 of  
667 each year, with notice to the commission of such change not later than January 15 of the same  
668 year.

669 (e) A political subdivision that transfers subscribers to the commission shall pay the  
670 commission for all costs of its subscribers' coverage, including administrative expenses and the  
671 governmental unit's cost of subscribers' premium. The commission shall determine on a periodic  
672 basis the amount of premium which the political subdivision shall pay to the commission. If the  
673 political subdivision unit fails to pay all or a portion of these costs according to the timetable  
674 determined by the commission, the commission may inform the state treasurer who shall issue a  
675 warrant in the manner provided by section 20 of chapter 59 requiring the respective political  
676 subdivision to pay into the treasury of the commonwealth as prescribed by the commission the  
677 amount of the premium and administrative expenses attributable to the political subdivision. The  
678 state treasurer shall recoup any past due costs from the political subdivision's cherry sheet under  
679 section 20A of chapter 58 and transfer that money to the commission. If a governmental unit  
680 fails to pay to the commission the costs of coverage for more than 90 days and the cherry sheet  
681 provides an inadequate source of payment, the commission may, at its discretion, cancel the  
682 coverage of subscribers of the political subdivision. If the cancellation of coverage is for  
683 nonpayment, the political subdivision shall provide all subscribers health insurance coverage  
684 under plans which are the actuarial equivalent of plans offered by the commission in the  
685 preceding year until there is an agreement with the public employee committee providing for  
686 replacement coverage.

687 The commission may charge the political subdivision an administrative fee, which shall  
688 not be more than 1 per cent of the cost of total premiums for the political subdivision, to be  
689 determined by the commission which shall be considered as part of the cost of coverage to  
690 determine the contributions of the political subdivision and its employees to the cost of health  
691 insurance coverage by the commission.

692 (f) If there is a withdrawal from the commission under this section, all retirees, their  
693 spouses and dependents insured or eligible to be insured by the political subdivision, if enrolled  
694 in Medicare part A at no cost to the retiree, spouse or dependents, shall be required to be insured  
695 by a Medicare extension plan offered by the political subdivision under section 11C or section  
696 16. A retiree shall provide the political subdivision, in such form as the political subdivision shall  
697 prescribe, such information as is necessary to transfer to a Medicare extension plan. If a retiree  
698 does not submit the information required, the retiree shall no longer be eligible for the retiree's  
699 existing health insurance coverage. The political subdivision may from time to time request from  
700 a retiree, a retiree's spouse and dependents, proof certified by the federal government of the  
701 retiree's eligibility or ineligibility for Medicare part A and part B coverage. The political  
702 subdivision shall pay the Medicare part B premium penalty assessed by the federal government  
703 on those retirees, spouses and dependents as a result of enrollment in Medicare part B at the time  
704 of transfer into the Medicare health benefits supplement plan.

705 (g) The decision to implement this section shall not be subject to collective bargaining  
706 pursuant to chapter 150E or section 19.

707 (h) Nothing in this section shall relieve a political subdivision from providing health  
708 insurance coverage to a subscriber to whom it has an obligation to provide coverage under any  
709 other provision of this chapter or change eligibility standards for health insurance under the  
710 definition of "employee" in section 2.

711 Section 24. An appropriate public authority of a political subdivision which has  
712 undertaken to provide health insurance coverage to its subscribers under this chapter may  
713 provide health care flexible spending accounts to allow certain subscribers, as determined by the

714 appropriate public authority, to set aside a portion of earnings to pay for qualified expenses  
715 which may include, but shall not be limited to, out-of-pocket costs such as inpatient and  
716 outpatient copayments, calendar year deductibles, office visit copayments and prescription drug  
717 copayments.

718           Section 25. Notwithstanding any general or special law or regulation to the contrary, the  
719 appropriate public authority of a political subdivision which has undertaken to provide health  
720 insurance coverage to its subscribers under this chapter or transfer its subscribers to the  
721 commission under this chapter may provide health reimbursement arrangements to reimburse  
722 subscribers for qualified medical expenses which may include, but shall not be limited to, out-of-  
723 pocket costs such as inpatient and outpatient copayments, calendar year deductibles, office visit  
724 copayments and prescription drug copayments.

725           Section 26. An appropriate public authority of a political subdivision which has  
726 undertaken to provide health insurance coverage to its subscribers under this chapter shall  
727 conduct an enrollment audit not less than once every 2 years. The audit shall be completed in  
728 order to ensure that members are appropriately eligible for coverage.

729           Section 27. An insurance carrier, third party purchasing group or administrator or the  
730 commission in the case of a governmental unit, which has undertaken to provide health insurance  
731 coverage to its subscribers by acceptance of sections 19 or 23, shall, upon written request,  
732 provide the governmental unit or public employee committee with its historical claims data  
733 within 45 days of such request; provided, that all personally identifying information within such  
734 claims shall be redacted and released in a form and manner compliant with all applicable state

735 and federal privacy statutes and regulations including, but not limited to, the federal Health  
736 Insurance Portability and Accountability Act of 1996.

737 Section 28. Nothing in section 21, 22 or 23 shall be construed to prevent 2 or more  
738 governmental units under a joint purchase or trust agreement from jointly negotiating and  
739 purchasing coverage as authorized in section 12.

740 Section 29. Each fiscal year, the commission shall prepare and place on its website a  
741 report delineating the dollar amount of the copayments, deductibles, tiered provider network co-  
742 payments and other design features offered by the commission in the non-Medicare plan with the  
743 largest subscriber enrollment and the dollar amount of the copayments, deductibles, tiered  
744 provider network copayments and other design features offered by the commission in the  
745 Medicare extension plan with the largest subscriber enrollment. The commission shall also  
746 provide information on its plans with the largest subscriber enrollment upon request of any  
747 appropriate public authority or political subdivision.

748 SECTION 199. Notwithstanding any general or special law to the contrary, an  
749 appropriate public authority that implements changes to health insurance benefits pursuant to  
750 sections 22 and 23 of chapter 32B of the General Laws shall delay implementation of such  
751 changes, as to those subscribers covered by a collective bargaining agreement or section 19  
752 agreement that is in effect on the date of implementation of such changes, of any changes to the  
753 dollar amounts of copayments, deductibles or other cost-sharing plan design features that are  
754 inconsistent with any dollar limits on copayments, deductibles or other cost-sharing plan design  
755 features that are specifically included in the body of that collective bargaining agreement or

756 section 19 agreement, until the initial term stated in that collective bargaining agreement or  
757 section 19 agreement has ended.

758 SECTION 200. Nothing in this act shall be construed to alter, amend or affect chapter 36  
759 of the acts of 1998, chapter 423 of the acts of 2002, chapter 27 of the acts of 2003 or chapter 247  
760 of the acts of 2004.

761 SECTION 201. Notwithstanding any general or special law to the contrary, the group  
762 insurance commission shall prescribe procedures to permit a political subdivision to transfer all  
763 subscribers for whom it provides health insurance coverage to the commission on or before  
764 January 1, 2012, if such political subdivision provides notice to the group insurance commission  
765 on or before September 1, 2011, that it is transferring its subscribers to the group insurance  
766 commission under sections 19 or 23 of chapter 32B of the General Laws; provided further, the  
767 commission shall also prescribe procedures to permit a political subdivision to transfer all  
768 subscribers for whom it provides health insurance coverage to the commission on or before April  
769 1, 2012, if such political subdivision provides notice to the group insurance commission on or  
770 before December 1, 2011, that it is transferring its subscribers to the group insurance commission  
771 under said sections 19 or 23 of said chapter 32B; provided further, the commission shall also  
772 prescribe procedures to permit a political subdivision to transfer all subscribers for whom it  
773 provides health insurance coverage to the commission on or before July 1, 2012, if such political  
774 subdivision provides notice to the group insurance commission on or before March 1, 2012, that  
775 it is transferring its subscribers to the group insurance commission under said sections 19 or 23  
776 of said chapter 32B.

777 SECTION 202. Notwithstanding any general or special law to the contrary, unless  
778 otherwise agreed, a governmental unit transferring its subscribers to the group insurance  
779 commission under section 23 of chapter 32B of the General Laws shall use current contribution  
780 ratios in existence for each class of plan for each collective bargaining unit in order to transfer to  
781 the commission. If a governmental unit was not offering both a preferred provider organization  
782 plan or an indemnity plan on the date of transfer to the commission, the governmental unit's  
783 initial contribution ratio toward the commission's preferred provider organization plans and  
784 indemnity plans shall be the ratio that the governmental unit was contributing toward its  
785 preferred provider organization plan or indemnity plan for each collective bargaining unit on that  
786 date. Except as specifically provided in this section, all contribution ratios shall remain subject to  
787 bargaining pursuant to chapter 32B of the General Laws and chapter 150E of the General Laws.

788 Respectfully submitted,