HOUSE DOCKET, NO. 2385 FILED ON: 1/15/2015

# HOUSE . . . . . No. 838

## The Commonwealth of Massachusetts

PRESENTED BY:

***Carolyn C. Dykema and James M. Cantwell***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to small group health insurance.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|---|---|
| *Carolyn C. Dykema* | *8th Middlesex* |
| *James M. Cantwell* | *4th Plymouth* |
| *Josh S. Cutler* | *6th Plymouth* |
| *Barbara A. L'Italien* | *Second Essex and Middlesex* |
| *Kate Hogan* | *3rd Middlesex* |
| *Chris Walsh* | *6th Middlesex* |

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# HOUSE . . . . . No. 838

By Representatives Dykema of Holliston and Cantwell of Marshfield, a petition (accompanied by bill, House, No. 838) of Carolyn C. Dykema and others relative to small group health insurance. Financial Services.

## The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court**
**(2015-2016)**

An Act relative to small group health insurance.

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

SECTION 1. Chapter 35 of the Acts of 2013 is hereby amended by striking out Sections 102 and 102A and inserting in place thereof the following two sections:-

SECTION 102. Notwithstanding chapter 176J of the General Laws, for the period from January 1, 2014 through December 31, 2017, carriers may develop the group base premium for eligible small employers in order to vary the group base premium by enrollment or renewal month and shall file the group base premium as part of a rate filing for each calendar quarter. In calculating the premium to be charged to each eligible small group or eligible individual, carriers may utilize and apply a portion of the following rate adjustment factors, provided, that the carrier has such factor in place as of July 1, 2013, in addition to those rate adjustment factors permitted under said chapter 176J: (i) an industry rate adjustment factor; (ii) a participation rate adjustment factor; (iii) a group size rate adjustment factor; (iv) an intermediary rate adjustment factor; or (v) a group purchasing cooperative rate adjustment factor. The commissioner of insurance shall

13 promulgate regulations to implement this section, including, but not limited to, regulations
14 setting forth the manner in which carriers may utilize and apply the rate adjustment factors set
15 forth in this section during the period from January 1, 2014 through December 31, 2017, to the
16 extent required by federal law.

17 SECTION 102A. The commonwealth, by and through the governor or the governor's
18 designee, shall formally request a federal waiver to avoid the adverse effects of rating and rule
19 changes to the Massachusetts merged market, to protect consumers and businesses in the
20 commonwealth and in an effort to maintain current Massachusetts rating and rule requirements
21 including, but not limited to, the number of ratings factors and the number of annual rate
22 settings. All negotiations with any federal agency concerning this waiver shall be conducted in
23 consultation with a member of the house of representatives as appointed by the speaker of the
24 house and a member of the senate as appointed by the senate president. The governor, or the
25 governor's designee shall file a detailed report describing the waiver application and waivers
26 received, along with all documentation, including, but not limited to, all related written and
27 verbal responses from the department of health and human services, with the clerks of the senate
28 and house not later than October 1, 2015. The governor shall report monthly to the joint
29 committee on health care financing and the house and senate committees on ways and means on
30 the status of the waiver request under this section.