

SENATE No. 456

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to flexible rate options..

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. As defined under section 1 of said chapter 176O, a carrier is permitted to
2 enter into a multi-year agreement with an employer concerning the purchase of employer-
3 sponsored health insurance coverage as long as such an agreement comprises no more than 10%
4 of a carrier’s total membership or 10 % of accounts in force.

5 SECTION 2. All agreements between carriers and employers for the purchase of
6 employer-sponsored health insurance coverage are subject to the authority of the division of
7 insurance concerning carriers, including but not limited to chapter 175; a nonprofit hospital
8 service corporation organized under chapter 176A; a nonprofit medical service corporation
9 organized under chapter 176B; a health maintenance organization organized under chapter 176G;
10 and an organization entering into a preferred provider arrangement under chapter 176I, but not
11 including an employer purchasing coverage or acting on behalf of its employees or the
12 employees of one or more subsidiaries or affiliated corporations of the employer.

13 SECTION 3. This Act shall take effect on July 1, 2009.