

SENATE No. 644

The Commonwealth of Massachusetts

PRESENTED BY:

Barry R. Finegold

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 to redirect excessive health insurer reserves to support health care needs.

PETITION OF:

NAME:

Barry R. Finegold

DISTRICT/ADDRESS:

Second Essex and Middlesex

SENATE No. 644

By Mr. Finegold, a petition (accompanied by bill, Senate, No. 644) of Barry R. Finegold for legislation to redirect excessive health insurer reserves to support health care needs. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act to redirect excessive health insurer reserves to support health care needs.

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. Chapter 175 of the General Laws is hereby amended by inserting after
2 section 230 the following new section:-

3 Section 231. Excessive Health Insurer Reserves

4 (a) A carrier, as defined in section 1 of chapter 176O of the General Laws, shall pay an
5 assessment to support expenses associated with the delivery of health care services. Such
6 assessment shall be based on the net worth surplus available to health insurance carriers
7 exceeding 525 per cent of risk-based capital in accordance with criteria developed by the
8 division, in consultation with the center for health information and analysis and the executive
9 office of health and human services. The division shall specify by regulation the method of
10 calculating the assessment, procedures for payment of the assessment, and requirements for
11 submission of data by health insurers.

12 (b) The division shall establish by regulation the mechanism for enforcing the assessment
13 liability under this section in the event that a carrier does not make a scheduled payment, but the
14 division may, for the purpose of administrative simplicity, establish threshold liability amounts
15 below which enforcement may be modified or waived. This enforcement mechanism may
16 include assessment of interest on the unpaid liability at a rate not to exceed an annual percentage
17 rate of 18 per cent and late fees or penalties at a rate not to exceed 5 per cent per month.

18 (c) The amount of the assessment established by the division of insurance in subsection
19 (a) shall be sufficient, in the aggregate, to generate \$300,000,000.

20 (d) The division, in consultation with the comptroller and the secretary of administration
21 and finance, shall transfer \$150,000,000 to the Behavioral Health Trust Fund established in
22 chapter 102 of the Acts of 2021 and \$150,000,000 to the COVID-19 Public Health Emergency
23 Hospital Relief Trust Fund established in chapter 102 of the Acts of 2021.

24 (e) Subsection (c) shall sunset on December 31, 2025.