

**SENATE . . . . . No. 614**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***John J. Cronin***

*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 reining in premiums through stronger rate review.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>John J. Cronin</i>	<i>Worcester and Middlesex</i>	
<i>Joanne M. Comerford</i>	<i>Hampshire, Franklin and Worcester</i>	<i>2/28/2023</i>
<i>Pavel Payano</i>	<i>First Essex</i>	<i>2/1/2024</i>

**SENATE . . . . . No. 614**

By Mr. Cronin, a petition (accompanied by bill, Senate, No. 614) of John J. Cronin and Joanne M. Comerford for legislation to rein in premiums through stronger rate review. Financial Services.

**The Commonwealth of Massachusetts**

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

An Act reining in premiums through stronger rate review.

*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. Section 6 of chapter 176J of the General Laws, as so appearing, is hereby  
2 amended by striking subsection (c) and inserting in place thereof the following subsection:-

3 (c) Notwithstanding any general or special law to the contrary, carriers offering small  
4 group health insurance plans, including carriers licensed under chapters 175, 176A, 176B or  
5 176G, shall file small group product base rates and any changes to small group rating factors that  
6 are to be effective on January 1 of each year, on or before July 1 of the preceding year. The  
7 commissioner shall approve, modify or disapprove any proposed changes to base rates; provided,  
8 however, that the commissioner shall only modify or disapprove any proposed changes to base  
9 rates that are excessive, inadequate or unreasonable in relation to the benefits charged. The  
10 commissioner shall disapprove any change to small group rating factors that is discriminatory or  
11 not actuarially sound. Rates of reimbursement or rating factors included in the rate filing

12 materials submitted for review by the division shall be deemed confidential and exempt from the  
13 definition of public records in clause Twenty-sixth of section 7 of chapter 4.

14 The commissioner, in consultation with the health policy commission and the center for  
15 health information and analysis, shall further consider whether the health insurance plans subject  
16 to the proposed rate change are affordable and whether the carrier has implemented effective  
17 strategies to enhance the affordability of its plans. To assess affordability, the commissioner may  
18 consider the following factors:

19 (1) implementation of strategies by the carrier to enhance the affordability of its products,  
20 including: (i) whether the carrier offers products that address the underlying cost of health care  
21 by creating appropriate incentives for consumers, employers, providers and the carrier itself that  
22 promote a focus on primary care, prevention and wellness, active management procedures for the  
23 chronically ill population, use of appropriate cost-efficient settings and use of evidence based,  
24 quality care; (ii) whether the carrier offers a spectrum of product choices to meet consumer  
25 needs; and (iii) whether the carrier employs delivery system reform and payment reform  
26 strategies to enhance cost effective utilization of appropriate services;

27 (2) rate change history over the prior three years for the population affected by the  
28 proposed rate change;

29 (3) the hardship on members affected by the proposed rate change and the ability of  
30 lower-income individuals to pay for health insurance, including how the proposed rate changes  
31 compare to changes in median household income and whether the proposed changes would  
32 disproportionately impact people of color based on existing race, ethnicity and language data  
33 collected by the carrier;

34 (4) trends, including: (i) historical rates of trend for existing products; (ii) national  
35 medical and health insurance trends; (iii) regional medical and health insurance trends; and (iv)  
36 inflation indices, such as the Consumer Price Index;

37 (5) efforts of the carrier to maintain close control over its administrative costs;

38 (6) constraints on affordability efforts including: (i) state and federal requirements; (ii)  
39 costs of medical services over which plans have limited control; and (iii) health plan solvency  
40 requirements; and

41 (7) any other relevant affordability factor, measurement or analysis as determined by the  
42 commissioner.

43 Nothing in this section shall preclude the commissioner from considering any factor that,  
44 in the commissioner's discretion, is relevant to the final determination. The commissioner shall  
45 have authority to issue regulations and bulletins to facilitate consideration of the factors in this  
46 section. Nothing in this section shall preclude the commissioner from requesting from a carrier  
47 information or data to support these factors.

48 The commissioner shall adopt regulations to carry out this section.