HOUSE DOCKET, NO. 4066 FILED ON: 1/17/2025

HOUSE . . . . . No. 1215

The Commonwealth of Massachusetts

PRESENTED BY:

Hannah Kane

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 assess the current status of the merged market.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Hannah Kane	*11th Worcester*	*1/17/2025*
Carmine Lawrence Gentile	*13th Middlesex*	*1/21/2025*
Michael O. Moore	*Second Worcester*	*3/6/2025*

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HOUSE . . . . . No. 1215

By Representative Kane of Shrewsbury, a petition (accompanied by bill, House, No. 1215) of Hannah Kane, Carmine Lawrence Gentile and Michael O. Moore relative to the merged market for insured health coverage. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act to assess the current status of the merged market.

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

Notwithstanding any special or general law to the contrary,

(a). The Massachusetts Merged Market Advisory Council is hereby established to advise the Governor and Lieutenant Governor regarding the merged market for insured health coverage that is regulated under M.G.L. c. 176J and to propose recommendations to ensure the affordability of insured health benefit plan products offered therein and the long-term stability of coverage for individuals and small employers in the merged market.

(b). The Council shall consist of no more than 13 members. The Speaker of the House and the Senate President shall each appoint five members from outside of government with experience in and knowledge of the health insurance industry, including members representing the perspective of carriers, brokers, actuaries, and individual purchaser representatives, as well as persons representing small businesses.

The Council shall also include the Commissioner of the Division of Insurance, who shall serve as chair, the Secretary of the Executive Office of Health and Human Services or her designee, and the Executive Director of the Commonwealth Health Insurance Connector Authority, all of whom shall serve as members of the Council ex officio. Each member shall serve without compensation and in an advisory capacity.

(c) The Council's principal purposes shall be to prepare a report that summarizes the most recent data pertaining to the merged market based on an independent actuarial analysis and that makes recommendations for improved market functioning, including any policy and legislative changes that the Council recommends to ensure affordability and stability of coverage for small businesses and individuals. The Council shall oversee an update to the independent actuarial analysis of the merged market utilized in the final report of the merged Market Advisory Council created by Executive Order Number 589.

(d) In formulating the recommendations, the Council shall consider and address:

1. The general stability of the merged market risk pool;

2. Trends and dynamics related to the composition of the merged market risk pool and its impact on premiums and affordability for small businesses and individuals and how those trends and composition have changed over time;

3. Drivers of health care costs and premiums and growth of health care costs and premiums in the merged market;

4. The presence or extent of any cross-subsidization between the non-group and small group market segments; ii) the role of federal risk adjustment; and iii) the impact of emerging

coverage options for small-employers including, but not limited to, association health plans, multiple employer welfare arrangements, professional employer organizations, individual coverage health reimbursement arrangements and self-insurance;

5. Policy or market dynamics that threaten the stability of the overall market for small group and individual coverage, or are forecasted to do so;

6. Strategies to strengthen and promote affordability for the small group market, including but not limited to, whether federal waivers should be sought to permit flexibility in the application of merged market rules; and

7. Other opportunities to improve the functioning of the merged market including, but not limited to, the establishment of a reinsurance program; provided, however, that the Council must consider the impact of such strategies on both the non-group and small group market segments and potential state and federal costs and funding sources.

Section 4. The Council shall be supported by staff from the Division of Insurance, the Executive Office of Health and Human Services, and the Commonwealth Health Insurance Connector .The Council also may utilize outside resources to conduct independent actuarial analysis and other consulting services as necessary to support its recommendations.

Section 5. The Council may determine the procedures appropriate for conducting its proceedings. The Council is authorized to hold public meetings, fact-finding hearings, and other public forums to solicit feedback and request data from outside experts, policymakers, business organizations, carriers, consumers, advocates, and other interested persons. The Council shall consider information received from these sources in the development of its recommendations.

Section 6. The Council shall submit a final report with recommendations to the Governor not later than December 31, 2026.

Section 7. The Council shall terminate upon submission of the final report or six months after the signing of this order, whichever comes later.