HOUSE DOCKET, NO. 4030 FILED ON: 1/17/2025

HOUSE . . . . . No. 1237

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Lawn, Jr.

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 further enhance rate review examinations conducted by the health care access bureau within the division of insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
John J. Lawn, Jr.	*10th Middlesex*	*1/17/2025*
Marc T. Lombardo	*22nd Middlesex*	*5/7/2025*

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HOUSE . . . . . No. 1237

By Representative Lawn of Watertown, a petition (accompanied by bill, House, No. 1237) of John J. Lawn, Jr., relative to oversight of the small group and individual health insurance market. Financial Services.

The Commonwealth of Massachusetts

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

An Act to further enhance rate review examinations conducted by the health care access bureau within the division of 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 26 of the General Laws is hereby amended by striking out section 7A, as appearing in the 2022 Official Edition, and inserting in place thereof the following section:-

Section 7A. (a) As used in this section, the following words shall, unless the context clearly requires otherwise, have the following meanings:-

"Rate review", any examination performed by the commissioner of the aggregate rates of payment pursuant to sections 5, 6 and 10 of chapter 176A; section 4 of chapter 176B; section 16 of chapter 176G; section 6 of chapter 176J; and section 7 of chapter 176K.

(b) There shall be within the division of insurance a health care access bureau overseen by a deputy commissioner, whose duties shall include, but not be limited to, subject to the direction of the commissioner of insurance, rate review of premium rates for health benefit plans

12 offered, issued or renewed in the commonwealth, administration of the division's statutory and
13 regulatory authority for oversight of the small group and individual health insurance market,
14 oversight of affordable health plans, including coverage for young adults, as well as the
15 dissemination of appropriate information to consumers about health insurance coverage and
16 access to affordable products. The deputy commissioner shall: (i) protect the interests of
17 consumers of health insurance; (ii) encourage fair treatment of health care providers by health
18 insurers; (iii) enhance equity, access, quality and affordability in the health care system; (iv)
19 guard the solvency of health insurers; (v) work cooperatively with the health policy commission
20 and the center for health information and analysis to monitor health care spending; and (vi)
21 prioritize affordability of health insurance products during rate review.

22 (c) The deputy commissioner shall develop affordability standards to consider during rate
23 review; provided, however, that the commissioner's review of a carrier's rates shall adhere to
24 principles of solvency and actuarial soundness. Such standards shall consider the following:

25 (i) affordability for consumers, including the totality of costs paid by consumers of health
26 insurance for covered benefits including, but not limited to, the enrollee's share of premium, out-
27 of-pocket maximum amounts, deductibles, copays, coinsurance and other forms of cost sharing
28 for health insurance coverage;

29 (ii) affordability for purchasers, including the totality of costs paid by purchasers of
30 health insurance including, but not limited to, premium costs, actuarial value of coverage for
31 covered benefits and the value delivered on health care spending in terms of improved quality
32 and cost efficiency; and

33 (iii) the impact of proposed rates on the commonwealth's performance against the health
34 care cost growth benchmark established in section 9 of chapter 6D.

35 (d) The deputy commissioner shall review data and documents submitted to the division
36 including, but not limited to, any materials submitted as part of rate reviews, to examine the
37 causes of premium rate increases and excessive provider price variation.

38 (e)The commissioner shall appoint, at a minimum, the following employees: a first
39 deputy, a general counsel, a chief health economist, a chief actuary, a chief research analyst, and
40 a chief examiner. The appointed employees shall devote their full time to the duties of their
41 offices, shall be exempt from chapters 30 and 31 and shall serve at the pleasure of the
42 commissioner. The commissioner may appoint and remove additional employees, including
43 deputies, economists, analysts, examiners, assistant actuaries, inspectors, clerks and other
44 assistants as the work of the bureau may require. Such additional employees shall perform such
45 duties as the commissioner may prescribe.

46 (f) The commissioner shall make and collect an assessment against the carriers licensed
47 under chapters 175, 176A, 176B, 176E, 176F and 176G to pay for the expenses of the bureau.
48 The assessment shall be at a rate sufficient to produce $2,000,000 annually. In addition to that
49 amount, the assessment shall include an amount to be credited to the General Fund which shall
50 be equal to the total amount of funds estimated by the secretary of administration and finance to
51 be expended from the General Fund for indirect and fringe benefit costs attributable to the
52 personnel costs of the bureau. The assessment shall be allocated on a fair and reasonable basis
53 among all carriers licensed under said chapters. The funds produced by the assessments shall be
54 expended by the bureau, in addition to any other funds which may be appropriated, to assist in

55 defraying the general operating expenses of the bureau, and may be used to compensate
56 consultants retained by the division. A carrier licensed under said chapters shall pay the amount
57 assessed against it within 30 days after the date of the notice of assessment from the
58 commissioner.