

# HOUSE . . . . . No. 5039

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, February 5, 2026.

The committee on Financial Services, to whom was referred the 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, reports recommending that the accompanying bill (House, No. 5039) ought to pass.

For the committee,

JAMES M. MURPHY.

# 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:*

1 SECTION 1. Notwithstanding any special or general law to the contrary, the  
2 Massachusetts Merged Market Advisory Council, hereinafter, Council, is hereby established to  
3 advise the governor and lieutenant governor regarding the merged market for insured health  
4 coverage that is regulated under chapter 176J of the General Laws, and to propose  
5 recommendations to ensure the affordability of insured health benefit plan products offered  
6 therein and the long-term stability of coverage for individuals and small employers in the merged  
7 market.

8 SECTION 2. The Council shall consist of no more than 13 members. The speaker of the  
9 house and the senate president shall each appoint five members from outside of government with  
10 experience in and knowledge of the health insurance industry, including members representing  
11 the perspective of carriers, brokers, actuaries, and individual purchaser representatives, as well as  
12 persons representing small businesses.

13           The Council shall also include the commissioner of the division of insurance, who shall  
14   serve as chair, the secretary of the executive office of health and human services or her designee,  
15   and the executive director of the commonwealth health insurance connector authority, all of  
16   whom shall serve as members of the Council ex officio. Each member shall serve without  
17   compensation and in an advisory capacity.

18           SECTION 3. The Council's principal purposes shall be to prepare a report that  
19   summarizes the most recent data pertaining to the merged market based on an independent  
20   actuarial analysis and that makes recommendations for improved market functioning, including  
21   any policy and legislative changes that the Council recommends to ensure affordability and  
22   stability of coverage for small businesses and individuals. The Council shall oversee an update to  
23   the independent actuarial analysis of the merged market utilized in the final report of the Merged  
24   Market Advisory Council created by Executive Order Number 589.

25           In formulating the recommendations, the Council shall consider and address:

26           1. The general stability of the merged market risk pool;  
27           2. Trends and dynamics related to the composition of the merged market risk pool and its  
28   impact on premiums and affordability for small businesses and individuals and how those trends  
29   and composition have changed over time;

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

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

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

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

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

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

46 SECTION 4. The Council shall be supported by staff from the division of insurance, the  
47 executive office of health and human services, and the commonwealth health insurance  
48 connector. The Council also may utilize outside resources to conduct independent actuarial  
49 analysis and other consulting services as necessary to support its recommendations.

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

55           SECTION 6. The Council shall submit a final report with recommendations to the  
56   governor not later than December 31, 2026.

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