

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Danielle W. Gregoire

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 safety net programs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Danielle W. Gregoire</i>	<i>4th Middlesex</i>	<i>1/16/2025</i>

HOUSE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1031 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act to redirect excessive health insurer reserves to support health care safety net programs.

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 118E of the General Laws is hereby amended by inserting the
2 following new section:-

3 Section 83. (a) A carrier, as defined in Section 1 of Chapter 176O of the General Laws,
4 shall pay an assessment to support expenses associated with health care costs covered by Chapter
5 118E of the general laws. Such assessment shall be based on the net worth surplus available to
6 health insurance carriers exceeding 550% of risk-based capital in calendar year 2023 in
7 accordance with criteria developed by the Division of Insurance, in consultation with the
8 executive office of health and human services. The executive office shall specify by regulation
9 the method of calculating the assessment, procedures for payment of the assessment, and
10 requirements for submission of data by health insurers.

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

18 (c) The amount of the assessment established by executive office in subsection (a) shall
19 be sufficient, in the aggregate, to generate \$400,000,000.

20 (d) The executive office, in consultation with the comptroller and the secretary of
21 administration and finance, shall transfer \$200,000,000 to the Health Safety Net Trust Fund
22 established in section 66 of Chapter 118E and \$200,000,000 to the Medicaid Stabilization Trust
23 Fund established in section 2JJJJJ of Chapter 29.

24 (e) Subsection (c) shall sunset on December 31, 2026.

25 Section 2. Chapter 29 of the General Laws is hereby amended by inserting the following
26 new section:-

27 Section 2JJJJJJ. (a) There shall be a Medicaid Stabilization Trust Fund which shall be a
28 separate, nonbudgeted revenue fund to be administered by the secretary of health and human
29 services. There shall be credited to the fund: (i) any transfers by the executive office in
30 accordance with section 83 of chapter 118E (ii) an amount equal to any federal financial
31 participation revenues claimed and received by the commonwealth for eligible expenditures
32 made from the fund; (iii) any revenue from appropriations or other money authorized by the

33 general court and specifically designated to be credited to the fund; and (iv) interest earned on
34 any money in the fund. Amounts credited to the fund shall be expended, without further
35 appropriation, to prevent reductions in access to care for MassHealth beneficiaries and
36 reductions in reimbursement of healthcare services reimbursed by the program.

37 (b) Money in the fund shall be expended for Medicaid payments under an approved state
38 plan or federal waiver; provided, however, that all Medicaid payments from the fund shall be: (i)
39 subject to the availability of federal financial participation; (ii) made only under federally-
40 approved payment methods; and (iii) consistent with federal funding requirements and all
41 applicable federal payment limits as determined by the secretary. To accommodate timing
42 discrepancies between the receipt of revenue and related expenditures, the comptroller may
43 certify for payment amounts not to exceed the most recent revenue estimates as certified by the
44 secretary to be transferred, credited or deposited under this section. The secretary shall, to the
45 maximum extent possible, administer the fund to obtain federal financial participation for the
46 expenditures of non-federal money from the fund. Money remaining in the fund at the end of a
47 fiscal year shall not revert to the General Fund and shall be available for expenditure in
48 subsequent fiscal years.

49 Section 3. Section 66 of chapter 118E is hereby amended by adding the following words
50 subsection (b) after “money transferred from”:- “by the executive office in accordance with
51 section 83 of this chapter,”