SENATE DOCKET, NO. 2482 FILED ON: 1/17/2025

SENATE . . . . . No. 759

The Commonwealth of Massachusetts

PRESENTED BY:

Barry R. Finegold

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 redirecting excessive health insurer reserves to support health care safety net programs.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Barry R. Finegold	*Second Essex and Middlesex*

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SENATE . . . . . No. 759

By Mr. Finegold, a petition (accompanied by bill, Senate, No. 759) of Barry R. Finegold for legislation to redirect excessive health insurer reserves to support health care needs. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *644* OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act redirecting 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:

SECTION 1. Chapter 29 of the General Laws is hereby amended by inserting the following new section:-

Section 2GGGGGG. (a) There shall be a Medicaid Stabilization Trust Fund which shall be a separate, nonbudgeted revenue fund to be administered by the secretary of health and human services. There shall be credited to the fund: (i) any transfers by the executive office of health and human services in accordance with section 85 of chapter 118E; (ii) an amount equal to any federal financial participation revenues claimed and received by the commonwealth for eligible expenditures made from the fund; (iii) any revenue from appropriations or other money authorized by the general court and specifically designated to be credited to the fund; and (iv) interest earned on any money in the fund. Amounts credited to the fund shall be expended,

without further appropriation, to prevent reductions in access to care for MassHealth beneficiaries and reductions in reimbursement of healthcare services reimbursed by the program.

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

SECTION 3. Subsection (b) of section 66 of chapter 118E, as amended by sections 126 to 128, inclusive, of chapter 140 of the Acts of 2024, is hereby further amended by adding after the words “money transferred from” the following words:- by the executive office in accordance with section 85 of this chapter,.

SECTION 4. Chapter 118E of the General Laws is hereby amended by adding the following new section:-

Section 85. (a) A carrier, as defined in section 1 of chapter 176O, shall pay an assessment to support expenses associated with health care costs covered by this chapter. Such assessment shall be based on the net worth surplus available to health insurance carriers exceeding 550 per cent of risk-based capital in calendar year 2023 in accordance with criteria developed by the division of insurance, in consultation with the executive office. The executive office shall specify by regulation the method of calculating the assessment, procedures for payment of the assessment and requirements for submission of data by health insurers.

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

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

(d) The executive office, in consultation with the comptroller and the secretary of administration and finance, shall transfer $200,000,000 to the Health Safety Net Trust Fund established in section 66 and $200,000,000 to the Medicaid Stabilization Trust Fund established in section 2JJJJJJ of chapter 29.

SECTION 4. Subsection (c) of section 85 of chapter 118E of the General Laws, as inserted by section 3, is hereby repealed.

SECTION 5. Section 4 shall take effect on December 31, 2026.