

JOINT COMMITTEE ON PUBLIC SERVICE
2025-2026 (194th) BILL SUMMARY

Bill Number: H.2890
Title: *An Act relative to transparency in municipal health insurance*
Sponsor(s): Rep. John J. Lawn, Jr. (*Watertown*)
Hearing Date: July 9, 2025
Reporting Deadline: September 7, 2025

Prior History:

New File

CURRENT LAW:

M.G.L. c. 32B § 2 – Definitions: In general, chapter 32B consists of laws regarding contributory group general or blanket insurance for persons in the service of counties, cities, towns and districts and the dependents of those individuals. Specifically, section 2 establishes certain terms and definitions used throughout the chapter,

SUMMARY:

The bill amends section 2 of chapter 32B by adding two new definitions. “Broker” will be defined as any person or entity that holds a broker license issued by the Commonwealth of Massachusetts, in the service of an appropriate public authority or governmental unit to place insurance plans with carriers, joint purchasing agreements or third-party administrators as defined in section 3 of this chapter. “Consultant” will be defined as any person or entity that hold an advisor license issued by the Commonwealth of Massachusetts, in the service of an appropriate public authority or governmental unit or employer to provide technical expertise relative to the purchase benefits as defined in section 3 of this chapter.

This bill amends chapter 32B by adding a new section, 3B. A public authority, governmental unit or employer may enter into a contract with a consultant to provide expertise in certain areas including but not limited to: review annual renewal action, advise on plans, , track experience (claims vs premium, self-insured plan experience), complete Requests for Proposals (RFPs) for different benefit plans (medical, pharmacy, dental, voluntary products), provide compliance audit and updates to employer, may help educate members of PEC or IAC. Said contract will include an explanation of the fees and payment schedule to consultant. A public authority, governmental unit or employer may enter into a contract with a broker to place insurance with carriers. The

broker will provide the rate or percentage of commission relative to rate of premium, to be paid to them by the insurance carrier. A consultant will not be allowed to act as a broker on behalf of the same public authority, governmental unit or employer, regardless of their license.