

Joint Committee on Financial Services
Bill Summary

Bill No.: S685

Title: An Act relative to transparency of consumer health insurance rights

Sponsor: Senator Cynthia Creem

Bill History: Favorable Report from JCFS, Favorable by HCF to SWM

Hearing Date: 4/29/2025

Summary: This bill would require health insurance plans that are regulated by the Commonwealth to include the following statement on plan members' identification cards: "This health plan is fully-insured, subject to all Massachusetts insurance laws." This simple requirement would make it much easier for patients—and their providers and their advocates—to understand what rights they have and what treatments are covered under their health plans. At least 12 states have already created a similar disclosure requirement, including our neighbors in Connecticut and New York. Roughly half of Massachusetts residents with employer-based health insurance are in "fully-insured" plans regulated under Massachusetts law, while the other half are in "self-funded" plans that are federally regulated. The distinction is important, because fully-insured plans are subject to state mandates guaranteeing access to treatment for more than a dozen medical conditions and for mental health conditions generally, and self-funded plans are not subject to these mandates. Massachusetts law also provides patients in fully-insured plans with stronger procedural protections relating to prior authorization and appeals. Thus, knowing whether your plan is fully-insured or self-funded means knowing what health care you are entitled to receive and how you can access it. Without required transparency, patients typically do not know which type of plan they have, and so those with fully-insured plans are unable to assert the rights that the Legislature has granted to them. Compounding the confusion, the Commonwealth's major health insurance carriers administer both fully-insured and self-funded plans—and even in their benefit handbooks, they typically fail to disclose what type of plan a patient has.