

HOUSE No. 03581

(House – [Enter text], 07/11/2011)



The Commonwealth of Massachusetts

IN THE YEAR TWO THOUSAND ELEVEN

[Enter main body text]

HOUSE No. 03581

The Commonwealth of Massachusetts

PRESENTED BY:

Deval Patrick

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 passage of the accompanying bill:

Message from His Excellency the Governor returning with vetoes and amendments of certain sections contained in the engrossed Bill making appropriations for the fiscal year 2012 (see House, No. 3535). July 11, 2011..

PETITION OF:

NAME:

| DISTRICT/ADDRESS:

HOUSE No. 03581

Message from His Excellency the Governor returning with vetoes and amendments of certain sections contained in the engrossed Bill making appropriations for the fiscal year 2012 (see House, No. 3535). July 11, 2011.

The Commonwealth of Massachusetts

—————
In the Year Two Thousand Eleven
—————

Message from His Excellency the Governor returning with vetoes and amendments of certain sections contained in the engrossed Bill making appropriations for the fiscal year 2012 (see House, No. 3535). July 11, 2011..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 HOUSE No. 3581

2 Message from His Excellency the Governor returning with vetoes and amendments of certain
3 sections contained in the engrossed Bill making appropriations for the fiscal year 2012 (see
4 House, No. 3535). July 11, 2011.

5 The Commonwealth of Massachusetts

6 _____

7

8 DEVAL L. PATRICK

9 GOVERNOR

10 TIMOTHY P. MURRAY

11 LIEUTENANT GOVERNOR EXECUTIVE DEPARTMENT

12 STATE HOUSE • BOSTON 02133

13 (617) 725-4000

14 July 11, 2011.

15 To the Honorable Senate and House of Representatives:

16 Pursuant to Section 5 of Article 63 of the Amendments to the Constitution, I am today
17 signing House Bill 3535, “An Act Making Appropriations for the Fiscal Year 2012 for the
18 Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the
19 Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain
20 Permanent Improvements,” and returning certain portions to you for reconsideration.

21

22 For nearly three years, we have worked together to manage through unprecedented fiscal
23 challenges brought on by the global economic recession. Together, we have closed a cumulative
24 budget gap of nearly \$14 billion -- by cutting programs, eliminating thousands of state jobs, and
25 implementing cost-saving reforms that are changing the way government does business. While
26 our economy is steadily strengthening, the recovery is not yet robust enough to offset the loss of
27 \$1.5 billion in federal stimulus funding in the coming year, which requires us to pursue many of
28 these measures through another painful fiscal year.

29 The \$30.6 billion Fiscal Year 2012 budget I am signing today targets investments in my
30 four key priorities for this term: closing the education achievement gap, controlling health care
31 costs, addressing youth violence and creating jobs. This budget is balanced and fiscally
32 responsible, and it eliminates the structural deficit left by my predecessors.

33 These actions and continued proactive budget management have allowed the
34 Commonwealth to maintain its stable bond rating. Earlier this year, citing our proactive budget
35 management as a leading factor, Standard and Poor's awarded Massachusetts a positive outlook,
36 one of only three states to have such a rating.

37 I am pleased to sign several important reforms in this budget including changes to the
38 indigent defense system that will save taxpayer dollars; significant steps toward a housing first
39 system by restricting emergency shelters to families that truly need it, while increasing funding
40 for housing to prevent homelessness; and reforms that will increase transparency among quasi
41 public agencies.

42

43 In this budget, we will establish an Office of Commonwealth Performance,
44 Accountability and Transparency (CPAT) that will promote a more effective and efficient
45 government; along with many other changes that will strengthen audits and improve
46 transparency throughout state government.

47 In addition, I look forward to signing provisions for municipal health care reform that
48 will save millions for cities and towns, while preserving a meaningful role for organized labor,
49 pending your enactment of a few refinements I am sending back today for your consideration.

50

51 This budget includes several cost-saving initiatives that will help control health care
52 costs, such as incentives for state employees to move to less-costly health plans and
53 authorization to re-procure health care services for Commonwealth Care, MassHealth and the
54 Department of Corrections. Nevertheless, we must continue our urgent work together to enact
55 and implement systemic reforms to the way we pay for and deliver health care services to make
56 health care costs affordable over the long term.

57 I am approving a provision to use SAVE verification for MassHealth programs, and will
58 propose funding the \$2.8 million necessary to run this system. I am also approving the
59 appropriation for the Probation Department in the expectation that a reform proposal will
60 advance to my desk promptly.

61

62 I am proud to sign this budget, and I thank you for your partnership to deliver on
63 fiscally-responsible investments in priority areas like education, and to implement reforms that
64 will help ensure we are working as efficiently and effectively as possible for the people of the
65 Commonwealth. The budget I am signing today reflects many of our shared priorities, and
66 therefore includes a limited number of vetoes. That said, there are some items I am returning for
67 your consideration.

68

69 Therefore:

70 • I am disapproving those sections of House 3535 itemized in Attachment B of this
71 message for the reasons set forth in that Attachment; and

72 • Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the
73 Constitution of the Commonwealth, I am returning sections 27, 51, 52, 58, 185, 199, 200, 201,
74 202 and 203 with recommendations for amendment. My reasons for doing so and the
75 recommended amendments are set forth in separate letters dated today which are included with
76 this message as Attachments C, D, E, and F.

77 I approve the remainder of this Act.

78 Sincerely,

79 DEVAL L. PATRICK,

80 Governor

81 [THERE IS NO ATTACHMENT A.]

82 Attachment B

83 FY12 Budget

84 Veto Items: Outside Sections

85 Prescription Drug Waste

86 Section 81

87 I am vetoing this section because the current statute provides for the return and redispensing of
88 medications, the Department of Public Health has guidelines in place governing those processes,
89 and the Department retains the authority to make further rules and regulations as necessary.

90 Prescription Drug Waste

91 Section 82

92 I am vetoing this section because it is unnecessary, as patients currently are permitted and are
93 discharged with their personal bulk medications, and the Department of Public Health retains the
94 authority to make further rules and regulations as necessary.

95 Senior Care Options/PACE notice

96 Section 87

97 I am vetoing this section because it imposes additional costs on the MassHealth program without
98 a corresponding appropriation. I am prepared, however, to recommend the necessary
99 appropriation and then to approve such a requirement.

100 DOI Review of Small Group Health Insurance Rates

101 Section 107

102 I am vetoing this section because it will decrease efficiency and transparency in the Division of
103 Insurance's rate hearings.

104 DOI Review of Small Group Health Insurance Rates

105 Section 108

106 I am vetoing this section because it inhibits the Commissioner from conducting a thorough
107 review of the carrier's rate submission, and automatically allowing rates that have not been
108 thoroughly reviewed could increase premium costs and create confusion in the marketplace.

109 DOI Review of Small Group Health Insurance Rates

110 Section 109

111 I am vetoing this section because it strikes out the statute amended by section 108, which I have
112 vetoed for the reasons set forth above.

113 Natural Heritage and Endangered Species Program Waiver

114 Section 134

115 I am vetoing this section because it removes the discretion of the Secretary of Administration
116 and Finance to review and approve waivers. The Secretary is prepared to exercise his discretion
117 when appropriate.

118 Inspector General MassHealth Audit

119 Section 156

120 I am vetoing this section because it expends scarce program funds from the Health Safety Net
121 Trust Fund. I do not object to an audit of MassHealth by the Inspector General using other
122 available funds.

123 Prescription Drug Waste

124 Section 178

125 I am vetoing this section because it requires a study of the implementation of sections 81 and 82,
126 which I believe are unnecessary and have vetoed.

127 Prescription Drug Waste

128 Section 179

129 I am vetoing this section because the department has already completed a similar study and a
130 new investigation and study would expend scarce department funds and resources and also
131 require the acquisition of data that is not easily available and would be costly to obtain.

132 Cigar Bars

133 Section 197

134 I am vetoing this section because it prevents local officials from protecting the public health of
135 their citizens.

136 Competition among MassHealth Managed Care Organizations

137 Section 203A

138 I am vetoing this section because it will unduly interfere with the contracts resulting from
139 MassHealth's recent competitive procurement for its contracted managed care organizations.

140 Senior Care Options - Effective Date

141 Section 204

142 I am vetoing this section because it provides an effective date for section 87, which I have vetoed
143 for the reasons set forth above.

144 Delay Implementation of DPH Head Injury Regs

145 Section 207

146 I am vetoing this section because it requires an unnecessary delay in the effective date of an act

147 protecting the health of school athletes that schools have had ample time to implement.

148 Prescription Drug Waste

149 Section 216

150 I am vetoing this section because it provides an effective date for section 81, which I have vetoed

151 for the reasons set forth above.

152 DOI Review of Small Group Health Insurance Rates - Effective Date

153 Section 218

154 I am vetoing this section because it provides an effective date for section 109, which I have

155 vetoed for the reasons set forth above.

156 ATTACHMENT C

157 July 11, 2011

158 To the Honorable Senate and House of Representatives:

159 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the

160 Constitution, I am returning to you for amendment Section 27 of House Bill No. 3535, "An Act

161 Making Appropriations for the Fiscal Year 2012 for the Maintenance of the Departments,

162 Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest,
163 Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements.”

164 As you know, I support the purposes of this section. Section 27 requires recipients of cash
165 assistance to reimburse the Department of Transitional Assistance (DTA) for purchases of
166 alcoholic beverages, lottery tickets or tobacco products made using direct cash assistance. This
167 section also subjects individuals or store owners who knowingly accept an electronic benefit
168 transfer (EBT) card for the purchase of alcoholic beverages, lottery tickets or tobacco products to
169 fines (up to \$500 for the first offense, between \$500 and \$1,000 for the second offense, and not
170 less than \$1,000 for the third or subsequent offense). Finally, this section imposes up to a 5-year
171 sentence and/or \$25,000 fine for fraudulently obtaining welfare funds in excess of \$100 and a 1-
172 year sentence and/or \$1,000 fine for fraudulently obtaining under \$100 worth of welfare funds.

173

174 This section, however, incorrectly refers to imprisonment in a jail or house of correction
175 for not more than 5 years, rendering this provision unenforceable as sentences to the house of
176 correction cannot exceed 2 ½ years. This is the same minor but essential amendment I have
177 urged upon the Legislature previously.

178 For this reason, I recommend that Section 27 be amended by striking the words “imprisonment
179 in a jail or house of correction for not more than 5 years” and inserting in place thereof,
180 “imprisonment in a jail or house of correction for not more than 2 ½ years, or imprisonment in
181 the state prison for not more than 5 years”, so as to read as follows:

182 SECTION 27. Chapter 18 of the General Laws is hereby amended by inserting after section 5H
183 the following 3 sections:-

184 Section 5I. Notwithstanding any general or special law to the contrary, eligible recipients of
185 direct cash assistance shall not use direct cash assistance funds for the purchase of alcoholic
186 beverages, lottery tickets or tobacco products. An eligible recipient of direct cash assistance who
187 makes a purchase in violation of this section shall reimburse the department for such purchase.

188 Section 5J. Notwithstanding any general or special law to the contrary, an individual or store
189 owner shall not accept direct cash assistance funds held on electronic benefit transfer cards for
190 the purchase of alcoholic beverages, lottery tickets, or tobacco products. An individual or store
191 owner who knowingly accepts electronic benefit transfer cards in violation of this section shall
192 be punished by a fine of not more than \$500 for the first offense, a fine of not less than \$500 nor
193 more than \$1,000 for the second offense, and a fine of not less than \$1,000 for the third or
194 subsequent offense.

195 Section 5K. Notwithstanding any general or special law to the contrary, whoever embezzles,
196 steals or obtains by fraud any funds, assets or property provided by the department of transitional
197 assistance and whoever receives, conceals or retains such funds, assets or property for his own
198 interest knowing such funds, assets or property have been embezzled, stolen or obtained by fraud
199 shall, if such funds, assets or property are of a value of \$100 or more, be punished by a fine of
200 not more than \$25,000 or by imprisonment in a jail or house of correction for not more than 2 ½
201 years, or imprisonment in the state prison for not more than 5 years, or both such fine and
202 imprisonment, or if such funds, assets or property are of a value of less than \$100, by a fine of
203 not more than \$1,000 or by imprisonment in a jail or house of correction for not more than 1
204 year, or both such fine and imprisonment.

205 Respectfully submitted,

206 ATTACHMENT D

207 July 11, 2011

208 To the Honorable Senate and House of Representatives:

209 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the
210 Constitution, I am returning to you for amendment Section 185 of House Bill No. 3535, "An Act
211 Making Appropriations for the Fiscal Year 2012 for the Maintenance of the Departments,
212 Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest,
213 Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

214 Section 185 establishes a commission to study the police career incentive pay program. I support
215 the purposes of this section.

216 However, while this section includes a representative of police management, there is no
217 representative of labor. I therefore recommend that a representative of the Massachusetts
218 Coalition of Police be added to this commission.

219 For these reasons, I recommend that Section 185 be amended by striking out the text and
220 inserting in place thereof the following text:-

221 SECTION 185. There shall be established a commission to investigate and report on current
222 funding levels and municipal contractual obligations established by section 108L of chapter 41
223 of General Laws, known as the police career incentive pay program. The commission shall be
224 composed of 8 members, 1 appointed by the speaker of the house of representatives, 1 appointed
225 by the senate president, 1 appointed by the minority leader of the house of representatives, 1
226 appointed by the minority leader of the senate, the secretary of the executive office public safety

227 and security or her designee, a representative from the Massachusetts Chiefs of Police
228 Association, a representative from the Massachusetts Coalition of Police, and a representative
229 from the Massachusetts Municipal Association. The commission shall file a report with its
230 findings and any legislative recommendations with the house and senate clerks on or before
231 April 30, 2012.

232 Respectfully submitted,

233 ATTACHMENT E

234 July 11, 2011

235 To the Honorable Senate and House of Representatives:

236 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the
237 Constitution, I am returning to you for amendment Section 203 of House Bill No. 3535, "An Act
238 Making Appropriations for the Fiscal Year 2012 for the Maintenance of the Departments,
239 Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest,
240 Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

241 Section 203 temporarily prevents certain changes in the adult day health program. I am
242 concerned that this provision sweeps too broadly and will hinder necessary savings initiatives. I
243 propose instead that the Executive Office of Health and Human Services study the need for such
244 a moratorium.

245 In addition, the Executive Office of Health and Human Services is moving forward to develop a
246 licensure process for adult day health providers. That Office will take steps immediately to
247 develop regulations that will include statewide requirements.

248 I therefore recommend that Section 203 be amended by striking out the text and inserting in
249 place thereof the following text:-

250 SECTION 203. The executive office of health and human services shall conduct a feasibility
251 study of implementing a moratorium on (1) clinical eligibility or level of reimbursement paid to
252 providers of adult day health services for basic and complex levels of care, and (2) the
253 acceptance and approval of applications for (i) enrollment of new adult day health providers and
254 (ii) expansion of the certified capacity of already approved adult day health providers as
255 provided in 130 C.M.R. 404.400 et seq. This moratorium shall not apply to a PACE program as
256 defined in 42 U.S.C. section 1396u-4(a)(2).

257 The executive office shall also assess the current manner of categorizing clients as basic or
258 complex, and it shall assess the commonwealth's current and future adult day health services
259 needs and changes to address these needs.

260 The executive office shall report the results of its study and its recommendations to the house
261 and senate committees on ways and means, the joint committee on elder affairs, and the joint
262 committee on health care financing, not later than December 31, 2011.

263 Respectfully submitted,

264 ATTACHMENT F

265 July 11, 2011

266 To the Honorable Senate and House of Representatives:

267 Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the
268 Constitution, I am returning to you for amendment Sections 51, 52, 58, 199, 200, 201 and 202 of

269 House Bill No. 3535, “An Act Making Appropriations for the Fiscal Year 2012 for the
270 Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the
271 Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain
272 Permanent Improvements.”

273 These sections create a new process by which municipalities can implement local health
274 insurance changes in order to help cities and towns manage health care costs and preserve critical
275 services. I strongly support the goal of providing cities and towns with a way to achieve
276 meaningful health care cost savings while preserving a meaningful role for organized labor in the
277 transition process. The municipal health care reform sections included in the budget take a strong
278 step in the right direction.

279 These sections, however, need additional refinements to strengthen the reform by further
280 protecting sick and older employees and retirees, while still generating savings so that
281 municipalities can preserve critical local services. In particular, I am recommending revisions in
282 the savings to be shared with subscribers, the savings threshold to be met before transferring
283 subscribers to the Group Insurance Commission, the protection of current retirees from short-
284 term increases in premiums, and the protection of the quality of local health insurance plans.
285 The ability to protect the quality of the local health insurance plans will be assured as the reform
286 is focused on and addresses copays, deductibles and comparable cost sharing changes.

287 For these reasons, I recommend the following amendments:

288 • in section 51, in proposed section 2 of chapter 32B of the General Laws, by striking out
289 the definition of “savings”, and inserting in place thereof the following definition:-

290 “Savings”, for the purposes of sections 21, 22 and 23, shall mean the difference between the total
291 projected premium costs for health insurance benefits provided by a political subdivision with
292 changes made to health insurance benefits under section 22 or 23 for the first 12 months after the
293 implementation of such changes and the total projected premium costs for health insurance
294 benefits provided by that subdivision without such changes for the same 12 month period.

295 • in section 51, in proposed amended section 12 of said chapter 32B, by striking out the
296 words “other plan design features” in each instance where they appear, and inserting in place
297 thereof, in each instance, the following words:- other cost-sharing plan design features.

298 • in section 58, in proposed section 21 of said chapter 32B, by striking out subsection (d)
299 and inserting in place thereof the following subsection:-

300 (d) The municipal health insurance review panel shall approve the appropriate public authority’s
301 immediate implementation of the proposed changes under section 22; provided, however, that
302 any increases to plan design features have been made in accordance with the provisions of
303 section 22. The municipal health insurance review panel shall approve the appropriate public
304 authority’s immediate implementation of the proposed changes under section 23; provided, that
305 the panel confirms that the anticipated savings under those changes would be at least 5 per cent
306 greater than the maximum possible savings under section 22. If the panel does not approve
307 implementation of changes made pursuant to section 22 or section 23, the public authority may
308 submit a new proposal to the public employee committee for consideration and confirmation
309 under this section.

310

311 • in section 58, in subsection (a) of proposed section 22 of said chapter 32B, by striking out
312 the words “other plan design features” in each instance where they appear, and inserting in place
313 thereof, in each instance, the following words:- other cost-sharing plan design features.

314 • in section 58, in the first paragraph of subsection (b) of proposed section 22 of said
315 chapter 32B, by striking out the words “other plan design features” in each instance where they
316 appear, and inserting in place thereof, in each instance, the following words:- other cost-sharing
317 plan design features.

318 • in section 58, in proposed section 22 of said chapter 32B, by striking out subsection (e)
319 and inserting in place thereof the following subsection:-

320 (e) The first time a public authority implements plan design changes under this section or section
321 23, the public authority shall not increase before July 1, 2014, the percentage contributed by
322 retirees, surviving spouses and their dependents to their health insurance premiums from the
323 percentage that was approved by the public authority prior to and in effect on July 1, 2011;
324 provided however, that if a public authority approved of an increase in said percentage
325 contributed by retirees before July 1, 2011, but to take effect on a date after July 1, 2011, said
326 percentage increase may take effect upon the approval of the secretary of administration and
327 finance based on documented evidence satisfactory to the secretary that the public authority
328 approved the increase prior to July 1, 2011.

329 • in section 199, by striking out the words “other plan design features” in each instance
330 where they appear, and inserting in place thereof, in each instance, the following words:- other
331 cost-sharing plan design features.

332 so that the amended sections will read as follows:-

333 SECTION 51. Chapter 32B of the General Laws is hereby amended by striking out section 2, as
334 so appearing, and inserting in place thereof the following section:-

335 Section 2. As used in this chapter the following words shall, unless the context clearly requires
336 otherwise, have the following meanings:-

337 “Appropriate public authority”, as to a county, except Worcester county, the county
338 commissioners; as to a city, the mayor; as to a town, the selectmen; as to a district, the governing
339 board of the district and for the purposes of this chapter if a collective bargaining agreement is in
340 place, as to a commonwealth charter school as defined by section 89 of chapter 71, the board of
341 trustees; and as to an education collaborative, as defined by section 4E of chapter 40, the board
342 of directors.

343 “Commission”, the group insurance commission established by section 3 of chapter 32A.

344 “Dependent”, an employee’s spouse, an employee’s unmarried children under 19 years of age
345 and any child 19 years of age or over who is mentally or physically incapable of earning the
346 child’s own living; provided, however, that any additional premium which may be required shall
347 be paid for the coverage of such child 19 years of age or over; provided further, that “dependent”
348 shall also include an unmarried child 19 years of age or over who is a full-time student in an
349 educational or vocational institution and whose program of education has not been substantially
350 interrupted by full-time gainful employment, excluding service in the armed forces; provided
351 further, that any additional premium which may be required for the coverage of such student
352 shall be paid in full by the employee. The standards for such full-time instruction and the time
353 required to complete such a program of education shall be determined by the appropriate public
354 authority.

355 “District”, any water, sewer, light, fire, veterans’ services or other improvement district or public
356 unit created within 1 or more political subdivisions of the commonwealth to provide public
357 services or conveniences.

358 “Employee”, any person in the service of a governmental unit or whose services are divided
359 between 2 or more governmental units or between a governmental unit and the commonwealth,
360 and who receives compensation for any such service, whether such person is employed,
361 appointed or elected by popular vote, and any employee of a free public library maintained in a
362 city or town to the support of which that city or town annually contributes not less than one-half
363 of the cost; provided, however, that the duties of such person require not less than 20 hours,
364 regularly, in the service of the governmental unit during the regular work week of permanent or
365 temporary employment; provided further, that no seasonal employee or emergency employees
366 shall be included, except that persons elected by popular vote may be considered eligible
367 employees during the entire term for which they are elected regardless of the number of hours
368 devoted to the service of the governmental unit. A member of a call fire department or other
369 volunteer emergency service agency serving a municipality shall be considered an employee, if
370 approved by vote of the municipal legislative body, and the municipality shall charge such
371 individual 100 per cent of the premium. If an employee’s services are divided between
372 governmental units, the employee shall, for the purposes of this chapter, be considered an
373 employee of the governmental unit which pays more than 50 per cent of the employee’s salary.
374 But, if no one governmental units pays more than 50 per cent of that employee’s salary, the
375 governmental unit paying the largest share of the salary shall consider the employee as its own
376 for membership purposes, and that governmental unit shall contribute 50 per cent of the cost of
377 the premium. If the payment of an employee’s salary is equally divided between governmental

378 units, the governmental unit having the largest population shall contribute 50 per cent of the cost
379 of the premium. If an employee's salary is divided in any manner between a governmental unit
380 and the commonwealth, the governmental unit shall contribute 50 per cent of the cost of the
381 premium. An employee eligible for coverage under this chapter shall not be eligible for coverage
382 as an employee under chapter 32A. Teachers and all other public school employees shall be
383 deemed to be employees during the months of July and August under this chapter; provided,
384 however, that employee contributions for such health insurance for those 2 months are deducted
385 from the compensation paid for services rendered during the previous school year. A
386 determination by the appropriate public authority that a person is eligible for participation in the
387 plan of insurance shall be final. Nothing in this paragraph shall apply to Worcester county or its
388 employees.

389 "Employer", the governmental unit.

390 "Governmental unit", any political subdivision of the commonwealth.

391 "Health care flexible spending account", a federally-recognized tax-exempt health benefit
392 program that allows an employee to set aside a portion of earnings to pay for qualified expenses
393 as established in an employer's benefit plan.

394 "Health care organization", an organization for the group practice of medicine, with or without
395 hospital or other medical institutional affiliations, which furnishes to the patient a specified or
396 unlimited range of medical, surgical, dental, hospital and other types of health care services.

397 "Health reimbursement arrangement", a federally-recognized tax-exempt health benefit program
398 funded solely by an employer to reimburse subscribers for qualified medical expenses.

399 “Optional Medicare extension”, a program of hospital, surgical, medical, dental and other health
400 insurance for such active employees and their dependents and such retired employees and their
401 dependents, except elderly governmental retirees insured under section 11B, as are eligible or
402 insured under the federal health insurance for the aged act, as may be amended from time to
403 time.

404 “Political subdivision”, any county, except Worcester county, city, town or district.

405 “Savings”, for the purposes of sections 21, 22 and 23, shall mean the difference between the total
406 projected premium costs for health insurance benefits provided by a political subdivision with
407 changes made to health insurance benefits under section 22 or 23 for the first 12 months after the
408 implementation of such changes and the total projected premium costs for health insurance
409 benefits provided by that subdivision without such changes for the same 12 month period.

410 “Subscribers”, employees, retirees, surviving spouses and dependents of the political subdivision
411 and may include employees, retirees, surviving spouses and dependents of a district who
412 previously received health insurance benefits through the political subdivision.

413 SECTION 52. Section 12 of said chapter 32B is hereby amended by inserting, at the end thereof,
414 the following paragraph:-

415 The board of a trust or joint purchase group established by 2 or more governmental units may
416 vote to implement changes to co-payments, deductibles, tiered provider network copayments and
417 other cost-sharing plan design features which do not exceed those which an appropriate public
418 authority may offer under section 22; provided, however, that each governmental unit that is a
419 member of a trust or group shall comply with the requirements set forth in section 21 before any
420 such changes may be applied to the health insurance coverage of such governmental unit’s

421 subscribers. If such changes to the dollar amounts for copayments, deductibles, tiered provider
422 network copayments and other cost-sharing plan design features do not exceed those permitted
423 under section 22, such changes shall be approved in accordance with the provisions of section
424 21.

425 SECTION 58. Said chapter 32B is hereby further amended by adding the following 9 sections:-

426 Section 21. (a) Any political subdivision electing to change health insurance benefits under
427 sections 22 or 23 shall do so in the following manner: in a county, except Worcester county, by a
428 vote of the county commissioners; in a city having Plan D or a Plan E charter, by majority vote
429 of the city council and approval by the manager; in any other city, by majority vote of the city
430 council and approval by the mayor; in a town, by vote of the board of selectmen; in a regional
431 school district, by vote of the regional district school committee; and in all other districts, by vote
432 of the registered voters of the district at a district meeting. This section shall be binding on any
433 political subdivision that implements changes to health insurance benefits pursuant to section 22
434 or 23.

435 (b) Prior to implementing any changes authorized under sections 22 or 23, the appropriate public
436 authority shall evaluate its health insurance coverage and determine the savings that may be
437 realized after the first 12 months of implementation of plan design changes or upon transfer of its
438 subscribers to the commission. The appropriate public authority shall then notify its insurance
439 advisory committee, or such committee's regional or district equivalent, of the estimated savings
440 and provide any reports or other documentation with respect to the determination of estimated
441 savings as requested by the insurance advisory committee. After discussion with the insurance
442 advisory committee as to the estimated savings, the appropriate public authority shall give notice

443 to each of its collective bargaining units to which the authority provides health insurance benefits
444 and a retiree representative, hereafter called the public employee committee, of its intention to
445 enter into negotiations to implement changes to health insurance benefits provided by the
446 appropriate public authority. The retiree representative shall be designated by the Retired State,
447 County and Municipal Employees Association. A political subdivision which has previously
448 established a public employee committee under section 19 may implement changes to its health
449 insurance benefits pursuant to this section and sections 22 and 23.

450 Notice to the collective bargaining units and retirees shall be provided in the same manner as
451 prescribed in section 19. The notice shall detail the proposed changes, the appropriate public
452 authority's analysis and estimate of its anticipated savings from such changes and a proposal to
453 mitigate, moderate or cap the impact of these changes for subscribers, including retirees, low-
454 income subscribers and subscribers with high out-of-pocket health care costs, who would
455 otherwise be disproportionately affected.

456 (c) The appropriate public authority and the public employee committee shall have not more than
457 30 days from the point at which the public employee committee receives the notice as provided
458 in subsection (b) to negotiate all aspects of the proposal. An agreement with the appropriate
459 public authority shall be approved by a majority vote of the public employee committee;
460 provided, however, that the retiree representative shall have a 10 per cent vote. If after 30 days
461 the appropriate public authority and public employee committee are unable to enter into a written
462 agreement to implement changes under section 22 or 23, the matter shall be submitted to a
463 municipal health insurance review panel. The panel shall be comprised of 3 members, 1 of whom
464 shall be appointed by the public employee committee, 1 of whom shall be appointed by the
465 public authority and 1 of whom shall be selected through the secretary of administration and

466 finance who shall forward to the appropriate public authority and the public employee committee
467 a list of 3 impartial potential members, each of whom shall have professional experience in
468 dispute mediation and municipal finance or municipal health benefits, from which the
469 appropriate public authority and the public employee committee may jointly select the third
470 member; provided, however, that if the appropriate public authority and the public employee
471 committee cannot agree within 3 business days upon which person to select as the third member
472 of the panel, the secretary of administration and finance shall select the final member of the
473 panel. Any fee or compensation provided to a member for service on the panel shall be shared
474 equally between the public employee committee and the appropriate public authority.

475 (d) The municipal health insurance review panel shall approve the appropriate public authority's
476 immediate implementation of the proposed changes under section 22; provided, however, that
477 any increases to plan design features have been made in accordance with the provisions of
478 section 22. The municipal health insurance review panel shall approve the appropriate public
479 authority's immediate implementation of the proposed changes under section 23; provided that
480 the panel confirms that the anticipated savings under those changes would be at least 5 per cent
481 greater than the maximum possible savings under section 22. If the panel does not approve
482 implementation of changes made pursuant to section 22 or section 23, the public authority may
483 submit a new proposal to the public employee committee for consideration and confirmation
484 under this section.

485 (e) Within 10 days of receiving any proposed changes under sections 22 or 23, the municipal
486 health insurance review panel shall: (i) confirm the appropriate public authority's estimated
487 monetary savings due to the proposed changes under section 22 or 23 and ensure that the savings
488 is substantiated by documentation provided by the appropriate public authority; provided,

489 however, that if the panel determines the savings estimate to be unsubstantiated, the panel may
490 require the public authority to submit a new estimate or provide additional information to
491 substantiate the estimate; (ii) review the proposal submitted by the appropriate public authority
492 to mitigate, moderate or cap the impact of these changes for subscribers, including retirees, low-
493 income subscribers and subscribers with high out-of-pocket health care costs, who would
494 otherwise be disproportionately affected; and (iii) concur with the appropriate public authority
495 that the proposal is sufficient to mitigate, moderate or cap the impact of these changes for
496 subscribers, including retirees, low-income subscribers and subscribers with high out-of-pocket
497 health care costs, who would otherwise be disproportionately affected or revise the proposal
498 pursuant to subsection (f).

499 (f) The municipal health insurance review panel may determine the proposal to be insufficient
500 and may require additional savings to be shared with subscribers, particularly those who would
501 be disproportionately affected by changes made pursuant to sections 22 or 23, including retirees,
502 low-income subscribers and subscribers with high out-of-pocket costs. In evaluating the
503 distribution of savings to retirees, the panel may consider any discrepancy between the
504 percentage contributed by retirees, surviving spouses and their dependents to plans offered by the
505 public authority as compared to other subscribers. In reaching a decision on the proposal under
506 this subsection, the municipal health insurance review panel may consider an alternative
507 proposal, with supporting documentation, from the public employee committee to mitigate,
508 moderate or cap the impact of these changes for subscribers. The panel may require the
509 appropriate public authority to distribute additional savings to subscribers in the form of health
510 reimbursement arrangements, wellness programs, health care trust funds for emergency medical
511 care or inpatient hospital care, out-of-pocket caps, Medicare Part B reimbursements or

512 reimbursements for other qualified medical expenses; provided, however that in no case shall the
513 municipal health insurance review panel designate more than 25 per cent of the estimated
514 savings to subscribers. The municipal health insurance review panel shall not require a
515 municipality to implement a proposal to mitigate, moderate or cap the impact of changes
516 authorized under section 22 or 23 which has a total multi-year cost that exceeds 25 per cent of
517 the estimated savings. All obligations on behalf of the appropriate public authority related to the
518 proposal shall expire after the initial amount of estimated savings designated by the panel to be
519 distributed to employees and retirees has been expended. The panel shall not impose any change
520 to contribution ratios.

521 (g) The decision of the municipal health insurance review panel shall be binding upon all parties.

522 (h) The secretary of administration and finance shall promulgate regulations establishing
523 administrative procedures for the negotiations with the public employee committee and the
524 municipal health insurance review panel, and issue guidelines to be utilized by the appropriate
525 public authority and the municipal health insurance review panel in evaluating which subscribers
526 are disproportionately affected, subscriber income and subscriber out-of-pocket costs associated
527 with health insurance benefits.

528 Section 22. (a) Upon meeting the requirements of section 21, an appropriate public authority of
529 a political subdivision which has undertaken to provide health insurance coverage to its
530 subscribers by acceptance of any other section of this chapter may include, as part of the health
531 plans that it offers to its subscribers not enrolled in a Medicare plan under section 18A,
532 copayments, deductibles, tiered provider network copayments and other cost-sharing plan design
533 features that are no greater in dollar amount than the copayments, deductibles, tiered provider

534 network copayments and other cost-sharing plan design features offered by the commission
535 pursuant to section 4 or 4A of chapter 32A in a non-Medicare plan with the largest subscriber
536 enrollment; provided, however, that for subscribers enrolled in a Medicare plan pursuant to
537 section 18A the appropriate public authority may include, as part of the health plans that it offers
538 to its subscribers, copayments, deductibles, tiered provider network copayments and other cost-
539 sharing plan design features that are no greater in dollar amount than the copayments,
540 deductibles, tiered provider network copayments and other cost-sharing plan design features
541 offered by the commission pursuant to section 4 or 4A of chapter 32A in a Medicare plan with
542 the largest subscriber enrollment. The appropriate public authority shall not include a plan
543 design feature which seeks to achieve premium savings by offering a health benefit plan with a
544 reduced or selective network or providers unless the appropriate public authority also offers a
545 health benefit plan to all subscribers that does not contain a reduced or selective network of
546 providers.

547 (b) An appropriate public authority may increase the dollar amounts for copayments, deductibles,
548 tiered provider network copayments and other cost-sharing plan design features; provided that,
549 for subscribers enrolled in a non-Medicare plan, such features do not exceed plan design features
550 offered by the commission pursuant to section 4 or 4A of chapter 32A in a non-Medicare plan
551 with the largest subscriber enrollment and, for subscribers enrolled in a Medicare plan under
552 section 18A, such features do not exceed plan design features offered by the commission
553 pursuant to section 4 or 4A of chapter 32A in a Medicare plan with the largest subscriber
554 enrollment; provided, however, that the public authority need only satisfy the requirements of
555 subsection (a) of section 21 the first time changes are implemented pursuant to this section; and

556 provided, further that the public authority meet its obligations under subsections (b) to (h),
557 inclusive, of section 21 each time an increase to a plan design feature is proposed.

558 Nothing herein shall prohibit an appropriate public authority from including in its health plans
559 higher copayments, deductibles or tiered provider network copayments or other plan design
560 features than those authorized by this section; provided, however, such higher copayments,
561 deductibles, tiered provider network copayments and other plan design features may be included
562 only after the governmental unit has satisfied any bargaining obligations pursuant to section 19
563 or chapter 150E.

564 (c) The decision to accept and implement this section shall not be subject to bargaining pursuant
565 to chapter 150E or section 19. Nothing in this section shall preclude the implementation of plan
566 design changes pursuant to this section in communities that have adopted section 19 of this
567 chapter or by the governing board of a joint purchasing group established pursuant to section 12.

568 (d) Nothing in this section shall relieve an appropriate public authority from providing health
569 insurance coverage to a subscriber to whom it has an obligation to provide coverage under any
570 other provision of this chapter.

571 (e) The first time a public authority implements plan design changes under this section or section
572 23, the public authority shall not increase before July 1, 2014, the percentage contributed by
573 retirees, surviving spouses and their dependents to their health insurance premiums from the
574 percentage that was approved by the public authority prior to and in effect on July 1, 2011;
575 provided however, that if a public authority approved of an increase in said percentage
576 contributed by retirees before July 1, 2011, but to take effect on a date after July 1, 2011, said
577 percentage increase may take effect upon the approval of the secretary of administration and

578 finance based on documented evidence satisfactory to the secretary that the public authority
579 approved the increase prior to July 1, 2011.

580 Section 23. (a) Upon meeting the requirements of section 21, an appropriate public authority
581 which has undertaken to provide health insurance coverage to its subscribers may elect to
582 provide health insurance coverage to its subscribers by transferring its subscribers to the
583 commission and shall notify the commission of such transfer. The notice shall be provided to the
584 commission by the appropriate public authority on or before December 1 of each year and the
585 transfer of subscribers to the commission shall take effect on the following July 1. On the
586 effective date of the transfer, the health insurance of all subscribers, including elderly
587 governmental retirees previously governed by section 10B of chapter 32A and retired municipal
588 teachers previously governed by section 12 of chapter 32A, shall be provided through the
589 commission for all purposes and governed under this section. As of the effective date and for the
590 duration of this transfer, subscribers transferred to the commission's health insurance coverage
591 shall receive group health insurance benefits determined exclusively by the commission and the
592 coverage shall not be subject to collective bargaining, except for contribution ratios.

593 Subscribers transferred to the commission who are eligible or become eligible for Medicare
594 coverage shall transfer to Medicare coverage, as prescribed by the commission. In the event of
595 transfer to Medicare, the political subdivision shall pay any Medicare part B premium penalty
596 assessed by the federal government on retirees, spouses and dependents as a result of enrollment
597 in Medicare part B at the time of transfer into the Medicare health benefits supplement plan. For
598 each subscriber's premium and the political subdivision's share of that premium, the subscriber
599 and the political subdivision shall furnish to the commission, in such form and content as the
600 commission shall prescribe, all information the commission deems necessary to maintain

601 subscribers' and covered dependents' health insurance coverage. The appropriate public authority
602 of the political subdivision shall perform such administrative functions and process such
603 information as the commission deems necessary to maintain those subscribers' health insurance
604 coverage including, but not limited to, family and personnel status changes, and shall report all
605 changes to the commission. In the event that a political subdivision transfers subscribers to the
606 commission under this section, subscribers may be withdrawn from commission coverage at 3
607 year intervals from the date of transfer of subscribers to the commission.

608 The appropriate public authority shall provide notice of any withdrawal by October 1 of the year
609 prior to the effective date of withdrawal. All withdrawals shall be effective on July 1 following
610 the political subdivision's notice to the commission and the political subdivision shall abide by
611 all commission requirements for effectuating such withdrawal, including the notice requirements
612 in this subsection. In the event a political subdivision withdraws from commission coverage
613 under this section, such withdrawal shall be binding on all subscribers, including those
614 subscribers who, prior to the transfer to the commission, received coverage from the commission
615 under sections 10B and 12 of chapter 32A and, after withdrawal from the commission, those
616 subscribers who received coverage from the commission under said sections 10B and 12 of said
617 chapter 32A shall not pay more than 25 per cent of the cost of their health insurance premiums.
618 In the event of withdrawal from the commission, the political subdivision and public employee
619 unions shall return to governance of negotiations of health insurance under chapter 150E and this
620 chapter; provided, however, that the political subdivision may transfer coverage to the
621 commission again after complying with the requirements of subsections (b) to (h), inclusive, of
622 section 21.

623 The commission shall issue rules and regulations consistent with this section related to the
624 process by which subscribers shall be transferred to the commission.

625 (b) To the extent authorized under chapter 32A, the commission shall provide group coverage of
626 subscribers' health claims incurred after transfer to the commission. The claim experience of
627 those subscribers shall be maintained by the commission in a single pool and combined with the
628 claim experience of all covered state employees and retirees and their covered dependents,
629 including those subscribers who previously received coverage under sections 10B and 12 of
630 chapter 32A.

631 (c) A political subdivision that self-insures its group health insurance plan under section 3A and
632 has a deficit in its claims trust fund at the time of transferring its subscribers to the commission
633 and the deficit is attributable to a failure to accrue claims which had been incurred but not paid
634 may capitalize the deficit and amortize the amount over 10 fiscal years in 10 equal amounts or on
635 a schedule providing for a more rapid amortization. Except as provided otherwise herein,
636 subscribers eligible for health insurance coverage pursuant to this section shall be subject to all
637 of the terms, conditions, schedule of benefits and health insurance carriers as employees and
638 dependents as defined by section 2 and commission regulations. The commission shall,
639 exclusively and not subject to collective bargaining under chapter 150E, determine all matters
640 relating to subscribers' group health insurance rights, responsibilities, costs and payments and
641 obligations excluding contribution ratios, including, but not limited to, the manner and method of
642 payment, schedule of benefits, eligibility requirements and choice of health insurance carriers.
643 The commission may issue rules and regulations consistent with this section and shall provide
644 public notice, and notice at the request of the interested parties, of any proposed rules and
645 regulations and provide an opportunity to review and an opportunity to comment on those

646 proposed rules and regulations in writing and at a public hearing; provided, however, that the
647 commission shall not be subject to chapter 30A.

648 (d) The commission shall negotiate and purchase health insurance coverage for subscribers
649 transferred under this section and shall promulgate regulations, policies and procedures for
650 coverage of the transferred subscribers. The schedule of benefits available to transferred
651 subscribers shall be determined by the commission pursuant to chapter 32A. The commission
652 shall offer those subscribers the same choice as to health insurance carriers and benefits as those
653 provided to state employees and retirees. The political subdivision's contribution to the cost of
654 health insurance coverage for transferred subscribers shall be as determined under this section,
655 and shall not be subject to the provisions on contributions in said chapter 32A. Any change to the
656 premium contribution ratios shall become effective on July 1 of each year, with notice to the
657 commission of such change not later than January 15 of the same year.

658 (e) A political subdivision that transfers subscribers to the commission shall pay the commission
659 for all costs of its subscribers' coverage, including administrative expenses and the governmental
660 unit's cost of subscribers' premium. The commission shall determine on a periodic basis the
661 amount of premium which the political subdivision shall pay to the commission. If the political
662 subdivision unit fails to pay all or a portion of these costs according to the timetable determined
663 by the commission, the commission may inform the state treasurer who shall issue a warrant in
664 the manner provided by section 20 of chapter 59 requiring the respective political subdivision to
665 pay into the treasury of the commonwealth as prescribed by the commission the amount of the
666 premium and administrative expenses attributable to the political subdivision. The state treasurer
667 shall recoup any past due costs from the political subdivision's cherry sheet under section 20A of
668 chapter 58 and transfer that money to the commission. If a governmental unit fails to pay to the

669 commission the costs of coverage for more than 90 days and the cherry sheet provides an
670 inadequate source of payment, the commission may, at its discretion, cancel the coverage of
671 subscribers of the political subdivision. If the cancellation of coverage is for nonpayment, the
672 political subdivision shall provide all subscribers health insurance coverage under plans which
673 are the actuarial equivalent of plans offered by the commission in the preceding year until there
674 is an agreement with the public employee committee providing for replacement coverage.

675 The commission may charge the political subdivision an administrative fee, which shall not be
676 more than 1 per cent of the cost of total premiums for the political subdivision, to be determined
677 by the commission which shall be considered as part of the cost of coverage to determine the
678 contributions of the political subdivision and its employees to the cost of health insurance
679 coverage by the commission.

680 (f) If there is a withdrawal from the commission under this section, all retirees, their spouses and
681 dependents insured or eligible to be insured by the political subdivision, if enrolled in Medicare
682 part A at no cost to the retiree, spouse or dependents, shall be required to be insured by a
683 Medicare extension plan offered by the political subdivision under section 11C or section 16. A
684 retiree shall provide the political subdivision, in such form as the political subdivision shall
685 prescribe, such information as is necessary to transfer to a Medicare extension plan. If a retiree
686 does not submit the information required, the retiree shall no longer be eligible for the retiree's
687 existing health insurance coverage. The political subdivision may from time to time request from
688 a retiree, a retiree's spouse and dependents, proof certified by the federal government of the
689 retiree's eligibility or ineligibility for Medicare part A and part B coverage. The political
690 subdivision shall pay the Medicare part B premium penalty assessed by the federal government

691 on those retirees, spouses and dependents as a result of enrollment in Medicare part B at the time
692 of transfer into the Medicare health benefits supplement plan.

693 (g) The decision to implement this section shall not be subject to collective bargaining pursuant
694 to chapter 150E or section 19.

695 (h) Nothing in this section shall relieve a political subdivision from providing health insurance
696 coverage to a subscriber to whom it has an obligation to provide coverage under any other
697 provision of this chapter or change eligibility standards for health insurance under the definition
698 of “employee” in section 2.

699 Section 24. An appropriate public authority of a political subdivision which has undertaken to
700 provide health insurance coverage to its subscribers under this chapter may provide health care
701 flexible spending accounts to allow certain subscribers, as determined by the appropriate public
702 authority, to set aside a portion of earnings to pay for qualified expenses which may include, but
703 shall not be limited to, out-of-pocket costs such as inpatient and outpatient copayments, calendar
704 year deductibles, office visit copayments and prescription drug copayments.

705 Section 25. Notwithstanding any general or special law or regulation to the contrary, the
706 appropriate public authority of a political subdivision which has undertaken to provide health
707 insurance coverage to its subscribers under this chapter or transfer its subscribers to the
708 commission under this chapter may provide health reimbursement arrangements to reimburse
709 subscribers for qualified medical expenses which may include, but shall not be limited to, out-of-
710 pocket costs such as inpatient and outpatient copayments, calendar year deductibles, office visit
711 copayments and prescription drug copayments.

712 Section 26. An appropriate public authority of a political subdivision which has undertaken to
713 provide health insurance coverage to its subscribers under this chapter shall conduct an
714 enrollment audit not less than once every 2 years. The audit shall be completed in order to ensure
715 that members are appropriately eligible for coverage.

716 Section 27. An insurance carrier, third party purchasing group or administrator or the
717 commission in the case of a governmental unit, which has undertaken to provide health insurance
718 coverage to its subscribers by acceptance of sections 19 or 23, shall, upon written request,
719 provide the governmental unit or public employee committee with its historical claims data
720 within 45 days of such request; provided, that all personally identifying information within such
721 claims shall be redacted and released in a form and manner compliant with all applicable state
722 and federal privacy statutes and regulations including, but not limited to, the federal Health
723 Insurance Portability and Accountability Act of 1996.

724 Section 28. Nothing in section 21, 22 or 23 shall be construed to prevent 2 or more governmental
725 units under a joint purchase or trust agreement from jointly negotiating and purchasing coverage
726 as authorized in section 12.

727 Section 29. Each fiscal year, the commission shall prepare and place on its website a report
728 delineating the dollar amount of the copayments, deductibles, tiered provider network co-
729 payments and other design features offered by the commission in the non-Medicare plan with the
730 largest subscriber enrollment and the dollar amount of the copayments, deductibles, tiered
731 provider network copayments and other design features offered by the commission in the
732 Medicare extension plan with the largest subscriber enrollment. The commission shall also

733 provide information on its plans with the largest subscriber enrollment upon request of any
734 appropriate public authority or political subdivision.

735 SECTION 199. Notwithstanding any general or special law to the contrary, an appropriate public
736 authority that implements changes to health insurance benefits pursuant to sections 22 and 23 of
737 chapter 32B of the General Laws shall delay implementation of such changes, as to those
738 subscribers covered by a collective bargaining agreement or section 19 agreement that is in effect
739 on the date of implementation of such changes, of any changes to the dollar amounts of
740 copayments, deductibles or other cost-sharing plan design features that are inconsistent with any
741 dollar limits on copayments, deductibles or other cost-sharing plan design features that are
742 specifically included in the body of that collective bargaining agreement or section 19
743 agreement, until the initial term stated in that collective bargaining agreement or section 19
744 agreement has ended.

745 SECTION 200. Nothing in this act shall be construed to alter, amend or affect chapter 36 of the
746 acts of 1998, chapter 423 of the acts of 2002, chapter 27 of the acts of 2003 or chapter 247 of the
747 acts of 2004.

748 SECTION 201. Notwithstanding any general or special law to the contrary, the group insurance
749 commission shall prescribe procedures to permit a political subdivision to transfer all subscribers
750 for whom it provides health insurance coverage to the commission on or before January 1, 2012,
751 if such political subdivision provides notice to the group insurance commission on or before
752 September 1, 2011, that it is transferring its subscribers to the group insurance commission under
753 sections 19 or 23 of chapter 32B of the General Laws; provided further, the commission shall
754 also prescribe procedures to permit a political subdivision to transfer all subscribers for whom it

755 provides health insurance coverage to the commission on or before April 1, 2012, if such
756 political subdivision provides notice to the group insurance commission on or before December
757 1, 2011, that it is transferring its subscribers to the group insurance commission under said
758 sections 19 or 23 of said chapter 32B; provided further, the commission shall also prescribe
759 procedures to permit a political subdivision to transfer all subscribers for whom it provides
760 health insurance coverage to the commission on or before July 1, 2012, if such political
761 subdivision provides notice to the group insurance commission on or before March 1, 2012, that
762 it is transferring its subscribers to the group insurance commission under said sections 19 or 23
763 of said chapter 32B.

764 SECTION 202. Notwithstanding any general or special law to the contrary, unless otherwise
765 agreed, a governmental unit transferring its subscribers to the group insurance commission under
766 section 23 of chapter 32B of the General Laws shall use current contribution ratios in existence
767 for each class of plan for each collective bargaining unit in order to transfer to the commission.
768 If a governmental unit was not offering both a preferred provider organization plan or an
769 indemnity plan on the date of transfer to the commission, the governmental unit's initial
770 contribution ratio toward the commission's preferred provider organization plans and indemnity
771 plans shall be the ratio that the governmental unit was contributing toward its preferred provider
772 organization plan or indemnity plan for each collective bargaining unit on that date. Except as
773 specifically provided in this section, all contribution ratios shall remain subject to bargaining
774 pursuant to chapter 32B of the General Laws and chapter 150E of the General Laws.

775 Respectfully submitted,