

SENATE No. 446

The Commonwealth of Massachusetts

PRESENTED BY:

Baddour, Steven (SEN)

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:

An Act relative to small group insurance.

PETITION OF:

NAME:

Baddour, Steven (SEN)

DISTRICT/ADDRESS:

First Essex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S00563 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO SMALL GROUP INSURANCE.

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. Section 1 of Chapter 176J of the General Laws is hereby amended by inserting the
2 following two definitions:

3 “Association health plan”, a Massachusetts nonprofit or not-for-profit corporation all the
4 members of which are qualified associations and that negotiates with one or more carriers for the
5 issuance of health benefit plans that cover employees of qualified association members and their
6 dependents. To be certified by the Commissioner, an association health plan must have a
7 minimum of twenty-five qualified associations contracted to provide the plan to their members.

8 “Qualified association”, a Massachusetts nonprofit or not-for-profit corporation or other entity
9 that has been organized and maintained for purposes of advancing the occupational, professional,
10 trade or industry interests of its members, other than that of obtaining health insurance, that has
11 been in active existence for at least five years, that is comprised of at least 100 members, and

12 membership in which is generally available to members of such occupation, profession, trade or
13 industry without regard to the health condition or status of a prospective member.

14 SECTION 2. Chapter 176J of the General Laws is hereby amended by adding at the end thereof
15 the following new section:

16 Section 11. Association Health Plan

17 (a) The commissioner shall write regulations governing the establishment and
18 oversight of association health plans. Those regulations shall require that all state mandated
19 benefits are required under such plans, that denial of coverage due to the health condition, age,
20 race or sex is prohibited, and that no eligible small business who is a member of the association
21 health plan may be charged a premium rate higher than what the carrier would charge to a
22 similarly situated eligible small business who is not a member of the association health
23 plan. The Commissioner shall authorize not more than one association health plan.

24 (b) The commissioner shall biannually certify that an association health plan satisfies
25 the requirements of this chapter. Only an association health plan that has been certified by the
26 commissioner may procure health care coverage for the benefit of qualified association
27 members.

28 (c) The books and records of an association health plan and the methodology which
29 it confirms the status of qualified associations shall be subject to review by commissioner.

30 (d) Health care coverage procured by an association health plan may be sold only to
31 qualified association members and shall be sold only through duly licensed agents and brokers.

32 (e) Eligible businesses for the association health plan shall have 10 or less
33 employees.

34 (f) The Commissioner shall report on the effectiveness and business cost savings to
35 the Committee on Senate Ways and Means and House Ways and Means as well as the Joint
36 Committees on Health Care Financing and Financial Services within 24 months of the initial
37 certification of the association health plan as defined under this section.

38 (g) This section shall expire 48 months after the initial certification of the association
39 health plan.