

HOUSE No. 1031

The Commonwealth of Massachusetts

PRESENTED BY:

Danielle W. Gregoire

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 to redirect excessive health insurer reserves to support health care needs.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|-----------------------------|----------------------|------------------|
| <i>Danielle W. Gregoire</i> | <i>4th Middlesex</i> | <i>1/18/2023</i> |
| <i>Mindy Domb</i> | <i>3rd Hampshire</i> | <i>1/31/2023</i> |

HOUSE No. 1031

By Representative Gregoire of Marlborough, a petition (accompanied by bill, House, No. 1031) of Danielle W. Gregoire and Mindy Domb that the Division of Insurance be authorized to impose an assessment to support expenses associated with the delivery of health care services. Financial Services.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court
(2023-2024)

An Act to redirect excessive health insurer reserves to support health care needs.

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. Chapter 175 of the General Laws is hereby amended by inserting the
2 following new section:-

3 Section XX. (a) A carrier, as defined in Section 1 of Chapter 176Oof the General Laws,
4 that shall pay an assessment to support expenses associated with the delivery of health care
5 services. Such assessment shall be based on the net worth surplus available to health insurance
6 carriers exceeding 525% of risk-based capital in accordance with criteria developed by the
7 division, in consultation with the center for health information and analysis and the executive
8 office of health and human services. The division shall specify by regulation the method of
9 calculating the assessment, procedures for payment of the assessment, and requirements for
10 submission of data by health insurers.

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

17 (c) The amount of the assessment established by division of insurance in subsection (a)
18 shall be sufficient, in the aggregate, to generate \$300,000,000.

19 (d) The division, in consultation with the comptroller and the secretary of administration
20 and finance, shall transfer \$150,000,000 to the Behavioral Health Trust Fund established in
21 chapter 102 of the Acts of 2021 and \$150,000,000 to the COVID-19 Public Health Emergency
22 Hospital Relief Trust Fund established in chapter 102 of the Acts of 2021.

23 (e) Subsection (c) shall sunset on December 31, 2025.