

HOUSE No. 3452

The Commonwealth of Massachusetts

PRESENTED BY:

Steven M. Walsh

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 Business Health Insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Steven M. Walsh	11th Essex
Jay R. Kaufman	15th Middlesex
Kate Hogan	3rd Middlesex
Denise Provost	27th Middlesex
Brian A. Joyce	Norfolk, Bristol and Plymouth
Cory Atkins	14th Middlesex
Bruce E. Tarr	First Essex and Middlesex

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO SMALL BUSINESS HEALTH 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
2 the following two definitions:

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

8 “Qualified association”, a Massachusetts nonprofit or not-for-profit corporation or other entity that has
9 been organized and maintained for purposes of advancing the occupational, professional, trade or industry
10 interests of its members, other than that of obtaining health insurance, that has been in active existence for
11 at least five years, that is comprised of at least 100 members, and membership in which is generally
12 available to members of such occupation, profession, trade or industry without regard to the health
13 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 the
15 following new section:

16 Section 11. Small Business Health Plans

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

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

27 (c) The books and records of a small business health plan and the methodology which it
28 confirms the status of qualified associations shall be subject to review by commissioner.

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

31 (e) Eligible businesses for the small business health plan shall have not more than 50
32 employees.

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