

HOUSE No. 4605

The Commonwealth of Massachusetts

By Mr. Koutoujian of Waltham, for the committee on Financial Services, on House, No. 3452, a Bill a relative to small business health insurance (House, No. 4605). April 7, 2010.

FOR THE COMMITTEE:

NAME:	DISTRICT/ADDRESS:
Peter J. Koutoujian	10th Middlesex

The Commonwealth of Massachusetts

In the Year Two Thousand and Ten

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, as appearing in the 2008 Official
2 Edition, is hereby amended by inserting 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.

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

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

14 Section 11. Small Business Health Plans

- 15 (a) The commissioner shall write regulations governing the establishment and oversight of
16 small business health plans. Those regulations shall require that all state mandated benefits
17 are required under such plans, that denial of coverage due to the health condition, age, race or
18 sex is prohibited, and that no eligible small business who is a member of the small business
19 health plan may be charged a premium rate higher than what the carrier would charge to a
20 similarly situated eligible small business who is not a member of the small business health
21 plan.
- 22 (b) The commissioner shall biannually certify that a small business health plan satisfies the
23 requirements of this chapter. Only a small business health plan that has been certified by the
24 commissioner may procure health care coverage for the benefit of qualified association
25 members.
- 26 (c) The books and records of a small business health plan and the methodology which
27 confirms the status of qualified associations shall be subject to review by commissioner.
- 28 (d) Health care coverage procured by a small business health plan shall be sold to qualified
29 association members and may be sold through duly licensed agents and brokers.
- 30 (e) Eligible businesses for the small business health plan shall have not more than 50
31 employees.
- 32 (f) The commissioner shall report on the effectiveness and business cost savings to the
33 Committee on Senate Ways and Means and House Ways and Means as well as the Joint
34 Committees on Health Care Financing and Financial Services within 24 months of the initial
35 certification of the small business health plan as defined under this section.