

# SENATE, NO. 2354

[Senate, April 5, 2010 - New draft of Senate, No. 446 reported from the committee on Financial Services.]



## The Commonwealth of Massachusetts

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IN THE YEAR OF TWO THOUSAND AND TEN

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### 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, 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  
4 members of which are qualified associations and that negotiates with one or more carriers for the issuance  
5 of health 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  
7 that has been organized and maintained for purposes of advancing the occupational, professional, trade or

8 industry interests of its members, other than that of obtaining health insurance, that has been in active  
9 existence for at least five years, that is comprised of at least 100 members, and membership in which is  
10 generally available to members of such occupation, profession, trade or industry without regard to the  
11 health 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  
13 the 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.