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**Governor
Deval Patrick** in Governor's Office

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GOVERNORTIMOTHY P. MURRAY
LIEUTENANT GOVERNOR**Media Contact**Juan Martinez
Kim Haberlin
Heather Johnson
617-725-4025

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GOVERNOR PATRICK PUSHES TO LOWER HEALTH CARE COSTS FOR MASSACHUSETTS SMALL BUSINESSES, FAMILIES**Governor calls on Legislature to pass bill to provide relief from double-digit premium increases so small businesses can add jobs**

BOSTON - Wednesday, March 10, 2010 - Continuing his efforts to provide relief to Massachusetts small businesses and families from skyrocketing health care increases, Governor Deval Patrick today called on the Legislature to pass his proposal to lower premiums and help small businesses create jobs in the Commonwealth. In [testimony](#) before the Joint Committees on Health Care Financing, and Community Development and Small Business on the health care provisions of his Jobs Bill, the Governor outlined personal stories from small business owners about the burden of escalating costs and detailed how his plan will provide emergency relief so that small businesses - which make up 85% of the state's economy - can start hiring.

"On the main streets of the Commonwealth, we have an emergency on our hands. We can debate the whys and the hows of health care increases, but the strivers who are investing their energy, their time and their money to help the Massachusetts economy flourish can wait for answers no longer," said Governor Patrick. "We filed our proposals in a Jobs Bill for one reason: Without small business, there will be no economic recovery. If they don't start hiring, complete economic recovery will elude us. Next to access to capital, soaring health care costs are the consistent reason given for why they can't see their way to add more jobs."

The Governor's proposal includes the following measures:

- Recognizing that controlling health care costs is a shared responsibility, the bill provides oversight of health insurance company and provider rates by the Division of Insurance and the Division of Health Care Finance and Policy, respectively. Oversight of the reasonableness of rates charged by both insurers and providers, a temporary two-year measure, is meant to exert downward pressures on escalating health care costs as the Governor and the Legislature continue to move toward systemic changes to the state's health care payment system. For a period of two years, this oversight triggers a presumptive disapproval for those health insurer and provider rate increases that exceed benchmarks based on the prior year's consumer price index for medical services (2009 medical CPI is 3.2%). These rates would be disapproved, unless there is a compelling reason not to.
- Requires the Commissioner of Insurance to examine small business health insurance rating factors and prevent any duplicative or unjustified administrative charges that may drive up costs for small businesses.
- The legislation also empowers the Commissioner of Insurance to protect small businesses from rate shock caused by drastic increases in premiums driven by changes in the composition of their workforces (particularly the age of their workforces).
- A two year moratorium on the adoption of any new mandated benefits.
- Beginning in July, the bill gives smaller companies the choice of more affordable plans by requiring health insurance carriers in the small group market to offer at least one selective network plan with premiums that are at least 10 percent lower than the premiums for the full network product.
- Requires insurers to establish bi-annual open enrollment periods for individuals who purchase individual coverage to encourage people to maintain their health insurance.

In addition to measures aimed at reducing health care costs, the Governor's Jobs Bill, which he filed last month, provides tax credits for businesses that create new jobs, eases unemployment insurance costs for employers and creates a new organization dedicated to providing businesses with the financial capital and resources they need to grow.

The Governor has also directed Insurance Commissioner Joseph Murphy to conduct a series of hearings to review the double-digit premium increases burdening small businesses across Massachusetts. Throughout these hearings, countless small business owners have shared stories about how premium increases are crippling their ability to do business in Massachusetts.

"People are angry. During our six hearings across the Commonwealth, we heard from dozens of small-business owners who are faced with unpleasant decisions that affect the future and stability of their businesses," said Commissioner Murphy. "The Governor's proposed legislation will reduce these high increases in health insurance costs, and create the flexibility for small businesses to grow and thrive in our recovering economy."

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