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By Mr. Bulger, a petition of William M. Bulger and Joseph B. Early for legislation to establish a Commonwealth accident and sickness policy. Insurance.

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Four.

### AN ACT ESTABLISHING A COMMONWEALTH ACCIDENT AND SICKNESS POLICY.

*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 47 of chapter 175 of the General Laws is  
2 hereby amended by striking out clause Sixth and inserting in  
3 place thereof the following clause: —

4 Sixth, To insure any resident of the commonwealth under  
5 the commonwealth accident and sickness policy under section  
6 one hundred and eight.

1 SECTION 2. Said chapter 175 is hereby further amended by  
2 striking out sections 108 to 111, inclusive, and inserting in  
3 place thereof the following section: —

4 *Section 108.* There is hereby established under the direction  
5 of the commissioner a mandatory commonwealth accident and  
6 sickness policy, hereinafter call the policy.

7 Any company authorized to sell insurance in the common-  
8 wealth pursuant to section forty-seven shall, subject to regu-  
9 lations of the commissioner, insure residents of the common-  
10 wealth under the policy. No company may refuse to insure a  
11 resident of the commonwealth under the policy, if such  
12 person is under the age of sixty-five years and can offer proof  
13 of residency. Any person terminating his residence in the  
14 commonwealth shall no longer be eligible for coverage under  
15 the policy.

16 The commissioner shall make rules and regulations regard-  
17 ing the policy, including but not limited to:

18 (1) the rates of premium charges, after consultation with

19 the commissioner of public health, and any adjustment thereof;

20 (2) a requirement that ninety-five cents of every premium  
21 dollar shall be paid out in the form of benefits, and mandatory  
22 rebates to the policyholder if such requirement is not met;

23 (3) a provision for deductible amounts, representing costs  
24 of medical expenses for which the policyholder shall be solely  
25 responsible, such deductibles being thirty dollars per adult  
26 plus fifteen dollars per child under age eighteen plus thirty  
27 per one thousand dollars of total income of the household in  
28 excess of three thousand dollars, up to a maximum deductible  
29 of four hundred fifty dollars;

30 (4) a provision for coinsurance, representing the percentage  
31 of medical expenses in excess of the deductible amount but  
32 less than one thousand two hundred dollars, for which the  
33 policyholder shall be solely responsible, such percentage to be  
34 at a rate of six per cent plus three and one half per cent per  
35 one thousand dollars of household income, up to a maximum  
36 coinsurance rate of sixty-two percent; and

37 (5) a program of deferred payment of medical expenses by  
38 policyholders to avoid hardship.

39 The costs of premiums for the policy shall be paid  
40 in an amount of seventy-five per cent of the annual rate by  
41 public and private employers, and twenty-five per cent of said  
42 rate by employees. Self-employed persons shall pay the total  
43 rate of such premium and the premium rate for unemployed  
44 persons shall be paid by the commonwealth:

45 If a policy holder is a subscriber of a nonprofit medical  
46 service plan under chapter one hundred and seventy-six B, the  
47 costs of such subscription shall be subtracted from the de-  
48 ductible amount in clause (3). Any employer may pay the  
49 total costs of any such subscription, and such costs shall also  
50 be subtracted from said deductible.

51 The commissioner of the department of public health shall  
52 determine inclusions and exclusions in what shall be considered  
53 medical expenses; provided, however, that such expenses shall  
54 include preventative measures such as physical examinations.

55 The commissioner of the department of public welfare shall  
56 determine methods of payment of medical expenses for those  
57 persons within the jurisdiction of said department. Said com-

58 missioner of the department of public welfare shall further  
59 make available such manpower and data processing equipment  
60 as the commissioner may request.

61 All charges for medical expenses shall be sent directly to the  
62 person incurring such charges, and the policyholder shall pay  
63 all amounts up to the limit of his deductible amount as pro-  
64 vided for in clause (3). If such charges are in excess of the  
65 deductible, or if the policyholder has, in any one year, paid the  
66 costs of medical expenses up to his deductible limit, the policy-  
67 holder shall then submit claims of payment for such charges to  
68 the company, with evidence that he has already paid such costs  
69 up to his deductible limit. If the charges for medical expenses  
70 exceed the deductible limit but are less than one thousand two  
71 hundred dollars in any one year, the company shall notify the  
72 policyholder of the amount of such charges for which he shall  
73 pay, such amount representing the percentage of coinsurance  
74 for which such policyholder is solely responsible under clause  
75 (4).

1 SECTION 3. This act shall take effect on January first, nine-  
2 teen hundred and seventy-five. The commissioner of the de-  
3 partment of public welfare shall, within ninety days after said  
4 effective date, submit to the general court recommendations  
5 relative to a plan for the payment by persons under the juris-  
6 diction of said department of the cost of premiums and medical  
7 expenses under section one hundred and eight of chapter one  
8 hundred and seventy-five of the General Laws, inserted by sec-  
9 tion two of this act, and drafts of legislation necessary to carry  
10 said recommendations into effect, if any.

