

By Ms. Melconian, a petition (accompanied by bill, Senate, No. 652) of Linda J. Melconian for legislation to increase the availability of health insurance in the Commonwealth. Insurance.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Eight.

AN ACT INCREASING THE AVAILABILITY OF HEALTH INSURANCE IN THE COMMONWEALTH.

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. The General Laws are hereby amended by
2 inserting after Chapter 175F the following chapter: CHAPTER
3 175F; as used in this chapter, the following words and terms shall,
4 unless the context requires otherwise, have the following
5 meanings:

6 "Administering carrier," a carrier licensed by the Common-
7 wealth to issue healthcare insurance. An assemblage of carriers
8 may by agreement among themselves bid for designation by
9 commissioner of insurance as the administering carrier, but such
10 agreement, however, must be submitted by the carrier, but such
11 agreement, however must be submitted by the carriers to said
12 commissioner before their bid for his prior review and approved
13 as being in compliance with regulations as to reasonableness of
14 terms as may be required by said commissioner.

15 "Approved health maintenance organization", hereinafter
16 designated as HMO, a public or private organization, profit or
17 nonprofit, which provides, either directly or through arrange-
18 ments with others, health care services to enrollees on a per capita
19 prepayment basis;

20 "Carrier", an insurance company, hospital service or hospital
21 expense indemnity organization, a medical service or medical
22 expense indemnity organization, dental service or dental expense

23 “Minimum standards”, a plan established by the Commissioner
24 which contains at least the following benefits; physician services,
25 inpatient and outpatient acute hospital services, medically
26 necessary emergency health services, mental health benefits to the
27 extent required by section forty-seven B of chapter one hundred
28 and seventy-five, prescription medication, medically necessary
29 equipment, newborn infant and adoptive child care to the extent
30 required by section forty seven C of chapter one hundred and
31 seventy-five, medical treatment for the abuse of or addiction to
32 alcohol and drugs, diagnostic laboratory and radiologic services,
33 home health services, and preventive health services. No benefit
34 coverage shall be provided for any long term care facilities
35 including but limited to chronic hospitals, nursing homes, rest
36 homes and intermediate care facilities.

37 “Premium”, no premium shall be in excess of 150% of the
38 average group for those same benefits.

39 “Underinsured”, a person or person whose insurance plan does
40 not meet minimum standards established by the commissioner.

41 “Uninsured”, a person or persons who do not have a health
42 insurance plan.

43 “Uninsurable”, a person who has been denied coverage without
44 pre-existing condition clauses by at least three carriers.

1 SECTION 2. There is hereby created an unincorporated non-
2 profit association to be known as the Health Insurance
3 Reinsurance Association consisting of all insurers licensed to write
4 or issue policies under Chapter 175 and of all nonprofit hospital
5 and medical service corporations organized to issue contracts
6 under Chapters 176A and 176B and HMO’s licensed under
7 Chapter 176G. Every such insurer and hospital and medical
8 service corporation and HMO’s, as a prerequisite to further
9 issuing such health insurance policies or contracts in the
10 commonwealth shall be a member of the Association and shall
11 cooperate in the preparation and submission of a plan for the fair
12 and equitable apportionment among such insurers and hospital
13 service corporations of premiums, losses or expenses or any
14 combination thereof, incurred under policies or contracts which
15 are reinsured under the plan. The Association is empowered on
16 behalf of its member companies.

17 (1) To assume 100% reinsurance of any individual policy or

18 individual contract issued by an insurer or hospital service
19 corporation to a resident of this state.

20 (2) To establish, subject to the approval of the Insurance
21 Commissioner, the reinsurance rates for all risks to be ceded.

22 (3) To establish fair and reasonable procedures for the sharing
23 among the members of profit or loss on risks reinsured in the
24 Association and other costs, charges, expenses, liabilities, income,
25 property and other assets of the Association, and to assess
26 members for their appropriate shares on the basis of participation
27 ratios to be established in the Plan of Operation.

28 (4) On or after the effective date of this act, no member shall
29 refuse to issue to any resident of the commonwealth an individual
30 policy or an individual contract, without waivers of health
31 insurance offering the minimum benefits. No member shall issue
32 a policy or contract offering the minimum benefits to an individual
33 at a premium in excess of 150% of the average group premium
34 for those same minimum benefits.

1 SECTION 3. (a) There is hereby established a plan of health
2 insurance called the commonwealth plan. The commonwealth
3 plan shall be available to every individual who is a resident of the
4 commonwealth and (1) who is not eligible to enroll (through either
5 spouse in the case of a family) in a qualified employee healthcare
6 plan; (2) who is not eligible to enroll in the insurance program
7 described in part B of title VXIII of the Social Security Act.

8 (b) The commissioner shall prepare invitations for bid which
9 shall contain the final contract form, the terms and conditions of
10 the bidding procedure, and information concerning the
11 procedure. The invitation for bids shall allow sufficient bidding
12 time to permit prospective bidders to prepare and submit bids.
13 The commissioner shall solicit bids by mailing the invitations for
14 bids to a sufficient number of prospective bidders so as to elicit
15 adequate competition by displaying the invitation at the office of
16 the division of insurance and other appropriate public places and
17 by publicizing the invitation in newspapers and insurance trade
18 journals.

19 The content of the bid shall be specified by the commissioner,
20 but shall contain as a minimum the premium rate for a single,
21 individual, family of two and family of three or more as a basis

22 indemnity organization or other similar organization providing
23 coverage for one or more types of healthcare.

24 “Commissioner”, the commissioner of insurance.

25 of the premium computation and an agreement for the final
26 contract award.

27 (c) The Commonwealth Plan shall be established by a contract
28 award to an administering carrier and shall pay to practitioners
29 of healthcare institutions, and other providers, on behalf of the
30 individuals and families enrolled.

31 (d) Any individual or individuals who are uninsured,
32 underinsured or uninsurable, as defined in section 1 shall be
33 eligible for enrollment in the commonwealth plan.