been placed: (i) with relatives; (ii) in the same foster care home with siblings; (iii) in different foster care homes from siblings; (iv) in foster care homes outside their school districts and communities.

The department shall submit the results of its review, its findings and recommendations to the house and senate committees on ways and means and to the joint standing committee on human services and elderly affairs within three months of the effective date of this act.

SECTION 7. Sections one, three and four shall take effect on July first, nineteen hundred and eighty-five; provided that, until January first, nineteen hundred and eighty-six, the administrative case reviews required by section one may be performed by one member of the foster care review unit.

Approved July 12, 1984.

Chap. 198. AN ACT REQUIRING AUTOMOBILE INSURERS TO REIMBURSE ELDERLY PERSONS FOR CERTAIN REDUCTIONS IN INSURANCE RATES.

Be it enacted, etc., as follows:

Section 113B of chapter 175 of the General Laws, is hereby amended by inserting after the third paragraph, inserted by section 1 of chapter 197 of the acts of 1979, the following paragraph:-

All persons sixty-five years of age or older who are entitled to such reduction in rate, shall be notified annually of such reduction in rate. All such persons shall be reimbursed by the insurance carrier for all reductions in rate applicable to said driver from the time that they were sixty-five years of age which they did not receive. The percentage of the reduction for each coverage for an insured aged sixty-five or older shall be itemized on the motor vehicle liability policy. In the event that an insured reaches the age of sixty-five during the policy year, and is otherwise entitled to said reduction, said insured shall receive a reduction in premium on a pro rata basis for the remainder of the policy year.

Approved July 12, 1984.

Chap. 199. AN ACT FURTHER REGULATING NONPROFIT HOSPITAL SERVICE CORPORATIONS.

Be it enacted, etc., as follows:

SECTION 1. Chapter 176A of the General Laws is hereby amended by inserting after section 1 the following section:-

Section 1A. Any person residing in the commonwealth shall have the right to become a subscriber of a nonprofit hospital service corporation if the qualifications of such person meet those specified in the by-laws of such corporation; provided, however, that such corporation may, in its discretion, refuse to issue a subscription certificate to, or upon due notice, cancel the subscription certificate of any person who has made any fraudulent claim or representation to such corporation, or has been guilty of uncooperative or unethical dealings with such corporation, or has failed to pay dues and assessments seasonably and promptly, or for any other cause which may be approved by the commissioner. Any such corporation shall provide for annual open enrollment periods of not less than two months' duration. Proper notification shall be given to prospective subscribers in a form subject to approval by the commissioner.

SECTION 2. Section 6 of said chapter 176A is hereby amended by striking out the second paragraph, as appearing in section 1 of chapter 766 of the acts of 1950, and inserting in place thereof the following paragraph:-

The commissioner shall approve or disapprove such contracts or rates within thirty days following the conclusion of the public hearing, to be effective not earlier than thirty days subsequent to such approval. No such contracts shall be approved if the benefits provided therein are unreasonable in relation to the rate charged, nor if the rates are excessive, inadequate or unfairly discriminatory. Classifications shall be fair and reasonable. The commissioner shall make a finding on the basis of information submitted by a nonprofit hospital service corporation that such corporation employs a utilization review program and other techniques acceptable to him which have had or are expected to have a demonstrated impact on the prevention of reimbursement by such corporation for services which are not medically necessary. The contracts and rates so approved shall be applicable to all such subscribers except as otherwise herein provided whether such subscribers become such before or after the effective date thereof, and shall continue in effect for not less than twelve months after said effective date and thereafter until any changes shall have been approved as provided above; except that an increase in benefits to subscribers may, with the approval of the commissioner, be allowed at any time and provided that such contracts may be cancelled for nonpayment or subscribers' fees, misrepresentation or fraud or as provided in sections eight and ten. No classification of risk may be established on the basis of age. Rates charged to non-group subscribers with contracts providing supplemental coverage to medicare or other governmental programs shall not be approved

by the commissioner if they include a subscriber's contribution to the reserves of the corporation or do not provide a credit for investment income subject to the approval of the commissioner.

SECTION 3. The second paragraph of section 10 of said chapter 176A, as so appearing, is hereby amended by adding the following sentence:- In determining whether any rate under this section shall be disapproved, the commissioner shall make a finding on the basis of information submitted by a nonprofit hospital service corporation, as to whether such corporation employs a utilization review program and other techniques acceptable to him which have had or are expected to have a demonstrated impact on the prevention of reimbursement by such corporation for services which are not medically necessary.

SECTION 4. Said section 10 of said chapter 176A is hereby amended by inserting after the third paragraph, as amended by section 17 of chapter 373 of the acts of 1982, the following paragraph:-

The commissioner may make and, at any time, alter or amend reasonable rules or regulations to facilitate the operation and enforcement of this section and to govern hearings and investigations thereunder. He may issue such orders as he finds proper, expedient or necessary to enforce and administer the provisions of this section and to secure compliance with any rules and regulations made thereunder.

SECTION 5. Section 4 of chapter 176B of the General Laws is hereby amended by striking out the second paragraph, as appearing in section 1 of chapter 307 of the acts of 1960, and inserting in place thereof the following paragraphs:-

Any agreement between a medical service corporation and a person whereby such corporation undertakes to furnish benefits for medical service to said person and his covered dependents, if any, shall be considered a non-group medical service agreement. Under such an agreement the form of subscription certificate and the rates charged by such corporation to the subscribers shall be filed with and receive the prior approval of the commissioner. No such agreement shall be approved if he finds that the benefits provided therein are unreasonable in relation to the rate charged, nor if the rates charged are excessive, inadequate or unfairly discriminatory. The commissioner shall make a finding on the basis of information submitted by a medical service corporation that such corporation employs a utilization review program and other techniques acceptable to him which have had or are expected to have a demonstrated impact on the prevention of reimbursement by such corporation for services which are not medically necessary.

Rates charged to non-group subscribers with contracts pro-

viding supplemental coverage to Medicare or other governmental programs shall not be approved by the commissioner if they include a subscriber's contribution to the reserves of the corporation or do not provide a credit for investment income, subject to the approval of the commissioner.

SECTION 6. The fourth paragraph of said section 4 of said chapter 176B, as amended by section 2 of chapter 361 of the acts of 1978, is hereby further amended by adding the following four sentences:- No classification of risk may be established on the basis of age. In approving or disapproving any rate under this section, the commissioner shall make a finding on the basis of information submitted by a medical service corporation, that such corporation employs a utilization review program and other techniques acceptable to him which have had or are expected to have a demonstrated impact on the prevention of reimbursement by such corporation for services which are not medically necessary. The commissioner may make and, at any time, alter or amend, reasonable rules or regulations to facilitate the operation and enforcement of this section and to govern hearings and investigations thereunder. He may issue such orders as he finds proper, expedient or necessary to enforce and administer the provisions of this section and to secure compliance with any rules and regulations made thereunder.

SECTION 7. Section 5 of said chapter 176B, as amended by section 1 of chapter 623 of the acts of 1981, is hereby further amended by adding the following two sentences:- Such corporation shall provide for annual open enrollment periods of not less than two months' duration. Proper notification shall be given to prospective subscribers in a form subject to approval by the commissioner.

Approved July 12, 1984.

EMERGENCY LETTER - July 13, 1984 @ 9:43 A.M.

Chap. 200. AN ACT RELATIVE TO STATEWIDE BRANCH BANKING.

Be it enacted, etc., as follows:

SECTION 1. Section 3 of chapter 167C of the General Laws is hereby amended by striking out the first paragraph, as amended by section 9 of chapter 626 of the acts of 1982, and inserting in place thereof the following paragraph:-

After such notice and hearing as the commissioner may require and, with his written permission and under such conditions as