

HOUSE No. 4605

By Mr. Koutoujian of Waltham, for the committee on Financial Services, on House, Nos. 3452, a Bill relative to small business health insurance (House, No. 4605). April 7, 2010.

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act Relative to Small Business Health 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
2 Official Edition, is hereby amended by inserting the following two definitions:

3 "Small business health plan", a Massachusetts nonprofit or not-for-profit corporation all
4 the members of which are qualified associations and that negotiates with one or more carriers for
5 the issuance of health benefit plans that cover employees of qualified association members and
6 their dependents.

7 "Qualified association", a Massachusetts nonprofit or not-for-profit corporation or other
8 entity that has been organized and maintained for purposes of advancing the occupational,
9 professional, trade or industry interests of its members, other than that of obtaining health
10 insurance, that has been in active existence for at least five years, that is comprised of at least
11 100 members, and membership in which is generally available to members of such occupation,
12 profession, trade or industry without regard to the health condition or status of a prospective
13 member.

14 SECTION 2. Chapter 176J of the General Laws is hereby amended by adding at the end
15 thereof the following new section:

16 Section 11. Small Business Health Plans

17 The commissioner shall write regulations governing the establishment and oversight of
18 small business health plans. Those regulations shall require that all state mandated benefits are
19 required under such plans, that denial of coverage due to the health condition, age, race or sex is
20 prohibited, and that no eligible small business who is a member of the small business health plan
21 may be charged a premium rate higher than what the carrier would charge to a similarly situated
22 eligible small business who is not a member of the small business health plan.

23 The commissioner shall biannually certify that a small business health plan satisfies
24 the requirements of this chapter. Only a small business health plan that has been certified by the
25 commissioner may procure health care coverage for the benefit of qualified association
26 members.

27 The books and records of a small business health plan and the methodology which
28 confirms the status of qualified associations shall be subject to review by commissioner.

29 Health care coverage procured by a small business health plan shall be sold to
30 qualified association members and may be sold through duly licensed agents and brokers.

31 Eligible businesses for the small business health plan shall have not more than 50
32 employees.

33 The commissioner shall report on the effectiveness and business cost savings to the
34 Committee on Senate Ways and Means and House Ways and Means as well as the Joint

35 Committees on Health Care Financing and Financial Services within 24 months of the initial
36 certification of the small business health plan as defined under this section.