HOUSE DOCKET, NO. 424   FILED ON: 1/9/2025

HOUSE . . . . No. 2890

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Lawn, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to transparency in municipal health insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
John J. Lawn, Jr.	*10th Middlesex*	*1/9/2025*

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HOUSE . . . . No. 2890

By Representative Lawn of Watertown, a petition (accompanied by bill, House, No. 2890) of John J. Lawn, Jr. relative to transparency in municipal health insurance. Public Service.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to transparency in municipal 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:

Section 1: Section 2 of chapter 32B, as appearing in the 2022 Official Edition, is hereby amended by inserting after line 11 the following new definition: -

"Broker", any person or entity that holds a broker license issued by the Commonwealth of Massachusetts, in the service of an appropriate public authority or governmental unit to place insurance plans with carriers, joint purchasing arrangements or third party administrators for benefits as defined in section 3.

Section 2: Section 2 of chapter 32B, as so appearing, is hereby amended by inserting after line 13 the following new definition: -

"Consultant", any person or entity that holds an advisor license issued by the Commonwealth of Massachusetts, in the service of an appropriate public authority or governmental unit or employer to provide technical expertise relative to the purchase of benefits as defined in section 3.

Section 3: Chapter 32B of the General Laws is hereby amended by inserting the following new section: -

Section 3B. (a) A public authority, governmental unit or employer may enter into a contract with a consultant as defined in section 1 to provide expertise in the following areas but not limited to, review annual renewal action, advise on insured vs self-insured plans, track experience (claims vs premium, self-insured plan experience), complete Requests for Proposals (RFPs) for different benefit plans (medical, pharmacy, dental, voluntary products), provide compliance audit and updates to employer, may help educate members of PEC or IAC. Said contract shall include an explanation of the fees and payment schedule to consultant.

(b) A public authority, governmental unit or employer may enter into a contract with a broker as defined in section 1 to place insurance plans with carriers. Said broker shall provide the rate or percentage of commission relative to rate of premium, to be paid to said broker by the insurance carrier.

(c) A consultant shall be prohibited from acting as a broker, regardless of license, on behalf of the same public authority, governmental unit or employer.