

MASSACHUSETTS ASSOCIATION OF HEALTH UNDERWRITERS

137 Pennsylvania Avenue
Framingham, MA 01701
508.663.0239
info@massahu.org

www.massahu.org



Statement
of
Daniel J. Foley, Jr.
Legislative Counsel
Massachusetts Association of Health Underwriters

Regarding
Proposed Amendments to The Minimum Creditable Coverage
Regulation 1956 CMR 5.00

Before
The Health Insurance Connector Authority
State House, Gardner Auditorium
Boston, Ma

Date: September 9, 2008

Good Morning. For the record, my name is Daniel J. Foley, Jr. I am Legislative Counsel for the Massachusetts Association of Health Underwriters (MassAHU). MassAHU is a state trade association whose membership is comprised of independent insurance brokers, who specialize primarily in health insurance and employee benefits for hundreds of businesses, families and individuals across the Commonwealth. Our association and its member insurance brokers have been and continue to be active participants in the health care reform efforts and remain very concerned over the cost drivers, the need for transparency, the efficient use of resources and technology and other surrounding issues that continue to challenge the affordability and success of health care reform.

On behalf of the members of MassAHU, I wish to present comments about the changes being proposed to the Minimum Creditable Coverage (MCC) regulations, as put forth by the Connector. The amendments to the MCC regulation seek to make changes to the requirements of what would meet minimum creditable coverage. From my review and understanding of these proposals, some of these changes will add to the standards for MCC, which, in turn, will increase the cost of health insurance for small businesses and individuals across the Commonwealth. In fact, the availability of certain products may be limited to employers and individuals as well. Regardless of what the provisions of the Health Care Reform law have set forth, these proposed changes to the MCC standards go far beyond what the Legislature intended.

MassAHU's members, since the inception of healthcare reform law and the various regulations that have been promulgated as a result, have been assisting and advising their small business clients as well as their individual clients on how best to incorporate the requirements of the new law and the current MCC requirements into their health insurance plans. Small businesses and individuals are having a tough enough time already in complying with the law, according

to our members. We can not continue to overburden employers with additional mandates and requirements. We don't even know yet what the impact of the current MCC standards will have on affordability and access. MassAHU's position has been from the outset of the health care reform debate that prescription drug coverage should not be part of Minimum Creditable Coverage. This should be an optional coverage. Small employers and individual consumers need to have choice and flexibility in purchasing health coverages that meet their needs.

Another example of how these proposed changes run contrary to what was set for the in the Health Care Reform law is the change dealing with High Deductible Health Plans (HDHP). HDHPs were authorized as an option for consumers in Massachusetts in order to meet the individual mandate for health coverage. Changes being proposed to HDHPs will limit access to products that otherwise meet the federal law requirements governing HDHPs. HDHPs allow consumers to take advantage of the tax savings associated with these products. Effective January 1, 2010 the proposed changes require that the plan of benefits provided for HDHP/HSA – qualified plans include a broad range of medical benefits pursuant to the MCC regulation. This is not acceptable and MassAHU would support language that would allow HDHPs to qualify as MCC as Chapter 58 intended.

Finally, we believe that the proposed changes to the MCC regulations are counterproductive to the state's efforts to control the cost of healthcare as evidenced by Governor Patrick's signing into law, the bill, now Chapter 305 of the Acts of 2008, designed to slow the state's health care costs. The whole intent behind the passage of the Health Care Reform law was to insure the uninsured. It was never the intent to overburden those small employers who have been providing health insurance coverage to their employees. State government needs to refocus its attention to curtailing yearly increases in the costs of health care by focusing on the actual utilization and cost of service via the Health care Cost and Quality Council (HCC&QC).

Thank you for the opportunity in allowing me to present MassAHU's concerns and objections to the proposed changes to MCC.